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AGREEMENT

FOR THE

**LEASE, MANAGEMENT, OPERATION,
COMMERCIAL ENHANCEMENT AND DEVELOPMENT**

OF

THE NEW ORLEANS LAKEFRONT AIRPORT

BY AND BETWEEN

**THE BOARD OF COMMISSIONERS
OF THE
ORLEANS LEVEE DISTRICT**

AND

AMERICAN AIRPORTS LAKEFRONT, L.L.C.

APRIL 16, 2002

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THIS AGREEMENT, made and entered into this 25th day of March, 2002, by and between **THE BOARD OF COMMISSIONERS OF THE ORLEANS LEVEE DISTRICT**, with its office located at Municipal Address 6001 Stars and Stripes Blvd., Suite 202 Administration Building, New Orleans, LA 70126, the governing authority of the Orleans Levee District, a public levee district and political subdivision of the State of Louisiana (hereinafter sometimes referred to as "Public Sponsor" and/or "Lessor" and/or the "District") herein represented by its President, James P. Huey, duly authorized by Resolutions adopted by the Board of Commissioners of the Orleans Levee District and Special Airport Committee of the Orleans Levee Board, copies of which are attached hereto and part of **Exhibit "A," AMERICAN AIRPORTS LAKEFRONT, L.L.C.**, a limited liability company organized under the laws of the State of Louisiana, with its registered office located at No. 2 Canal Street, World Trade Center, Suite 2440, New Orleans, LA 70130 (hereinafter sometimes referred to as "Private Operator" and/or "Lessee") herein represented by Robert A. Clifford, duly authorized by a Resolution adopted by its Members, a copy of which is attached hereto and a part of **Exhibit "A,"** and **AMERICAN AIRPORTS CORPORATION**, a corporation organized under the laws of the State of California, with its registered office located at Municipal Address 2951 28th Street, 3rd Floor, Santa Monica, CA 90405 (hereinafter sometimes referred to as "American Airports" and/or "Guarantor,") herein represented by its Vice- President, **Robert A. Clifford**, duly authorized by a Resolution adopted by its Board of Directors, a copy of which is attached hereto and a part of **Exhibit "A"**.

RECITALS

WITNESSETH:

WHEREAS, the Public Sponsor owns, operates, and administers the New Orleans Lakefront Airport ("Airport");

WHEREAS, the Airport property and facilities are described in the Airport Layout Plan ("ALP") approved by the Federal Aviation Administration as of the date of this Agreement, a copy of which is annexed hereto and made a part hereof as **Exhibit "C"**;

WHEREAS, the Public Sponsor desires to have the Airport operated as a public aviation facility in accordance with all applicable laws and regulations and in compliance with all existing and future agreements between the Public Sponsor, the FAA, and the Louisiana

Department of Transportation & Development, specifically including, but not limited to FAA Grant Agreements ("FAA Agreements"), LADOTD Grant Agreements ("LADOTD Agreements") and the Airport, FAA and LADOTD Assurances ("Assurances"), which Assurances are required to be complied with in the performance of the Grant Agreements between the District and the FAA and LADOTD, copies of the FAA and LADOTD Agreements and Assurances are annexed hereto and made a part hereof as **Exhibit "G"**;

WHEREAS, the Public Sponsor has an FAA accepted Master Plan for the Airport, and Public Sponsor has adopted the Master Plan as a blueprint for Airport development and development aid;

WHEREAS, Private Operator is fully qualified to engage in the business of management, development, commercial enhancement and operation of airports, as set forth hereunder, and warrants that it possesses the competence, expertise, personnel and the adequate financial resources necessary to provide such services;

WHEREAS, Private Operator was selected in the course of a public bidding process conducted by Public Sponsor to provide the identified services at the Airport and in compliance with the Federal Privatization Pilot Program for Airports, as authorized by 49 U.S.C. § 47134, and in accordance with the terms and provisions of this Agreement;

WHEREAS, Private Operator agrees that to the extent necessary, Private Operator shall undertake all actions required of the Private Operator to maintain the exemptions granted by the FAA under 49 U.S.C. Article 47134 and comply with all policies, notices and the rules and regulations which have been promulgated thereunder.

WHEREAS, Private Operator and Public Sponsor desire, subject to the terms and conditions herein contained, to enter into this Agreement whereby Private Operator leases, manages, develops, commercially enhances and is responsible for the operation of the Airport; and,

WHEREAS, as a condition of entering into this Agreement with Private Operator, Public Sponsor has required that American Airports Corporation unconditionally guarantee, in solido, all of the obligations of Private Operator under the terms and conditions of this Agreement, and American Airports Corporation has agreed, in consideration of the extension

of this Agreement by Public Sponsor to Private Operator, to act as guarantor for Private Operator and unconditionally guarantee all of the obligations of Private Operator under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the respective promises and mutual agreements made by the Parties hereto hereinafter set forth, and good and valuable consideration, Public Sponsor hereby leases the Premises (hereinafter defined) subject to the Existing Agreements, and grants to Private Operator the right to operate, use and develop the Premises, and Private Operator hereby leases the Premises, subject to the Existing Agreements, and agrees to operate, use and develop the Premises, together with the buildings, structures, fixtures, improvements, runways, taxiways, roads, both public and private, paved areas of every kind, the Fuel Farm (hereinafter defined), and other property described hereinbelow of Public Sponsor located or to be located therein or thereon, and all buildings, structures, fixtures, improvements, runways, taxiways, roads, paved areas of every kind, facilities, additions and installations which may be constructed therein or thereon hereafter by Private Operator or others during the term of this Agreement, under the following terms and conditions.

DEFINED TERMS

The terms defined below shall, for all purposes of this Agreement and all Agreements supplemental hereto, have the meaning herein specified:

ACCOUNTING PRINCIPLES. The term "Accounting Principles" shall mean generally accepted accounting principles in the United States of America ("U.S.") consistently applied, except that income and expenses shall be recorded on a cash received and expended basis.

ADDITIONAL RENT. The term "Additional Rent" shall mean, collectively, payments of all sums other than the Rent (hereinafter defined) as shall become due and payable by Private Operator to Public Sponsor pursuant to this Agreement.

ADJUSTED FOR INFLATION. The term "Adjusted for Inflation" shall mean adjusted by the percentage increase, if any, in the Consumer Price Index (hereinafter defined) for an adjustment period commencing on the Commencement Date and ending on the date of the particular event or for such other period that may be provided or if no particular event

or period is provided the adjustment period shall be annually. "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the U.S. Department of Labor, All Items (1982-1984=100), or any successor index thereto, appropriately adjusted; provided that if there shall be no successor index, Public Sponsor shall select a substitute index and appropriate adjustment thereto which shall be subject to Private Operator's approval, which approval shall not be unreasonably withheld, conditioned or delayed; and further provided that if Private Operator shall not grant such approval and Public Sponsor and Private Operator dispute the appropriate substitute or adjustment thereto, Public Sponsor's selected substitute index and adjustment shall be applied to this Agreement until such dispute is resolved, at which time, any payments made under this Agreement during the period of dispute shall be appropriately adjusted.

AFFILIATE. The term "Affiliate" shall mean any Person (hereinafter defined) which, directly or indirectly, controls, is controlled by or is under common control with any other Person. "Control" shall be deemed to mean either (i) ownership of fifty percent (50%) or more of all of the voting stock of a corporation or fifty percent (50%) or more of all of the legal or equitable interest in any other business entity or (ii) the possession of the power, directly or indirectly, to direct and/or influence the management and policy of a corporation, partnership, trust or other business entity, whether through voting securities, by contract or common directors, officers or trustees or otherwise.

AGREEMENT. The term "Agreement" shall mean this Lease Agreement ("Lease") including all Exhibits hereto and all amendments, modifications and supplements hereof, entered by and between the Parties for the Leased Premises described in this Agreement.

AIRPORT. The term "Airport" shall mean the airport shown on the ALP (hereinafter defined), known as the New Orleans Lakefront Airport, located in the City of New Orleans, State of Louisiana.

AIRPORT FEES. The term "Airport Fees" shall mean all Airport landing fees; ramp, aircraft gate position, loading bridge and gate use charges; ticket counter charges; passenger terminal rents and user fees; long-term and short-term aircraft parking fees; and other charges in connection with any aircraft use of the Premises and airline use of passenger terminal and all aeronautical related revenue generated from the use of the Premises. This definition does

not include fees related to fuel sales which are covered by the definition of Net Fuel Revenue hereinafter.

AIRPORT LAYOUT PLAN (ALP). The term "Airport Layout Plan" shall mean the plan approved by the Federal Aviation Administration as of the date of execution of this Agreement, and as hereafter may be amended, modified, supplemented, renewed or replaced from time to time by Private Operator, with approval of Public Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed, and with the approval of the FAA, that fully describes the airport property and delineates the scope and nature of the current and future Airport layout. A copy of the ALP approved by the FAA as of the date of this Agreement is attached hereto and marked for identification as **Exhibit "C."**

AIRPORT REGULATIONS. The term "Airport Regulations" shall mean the rules and regulations promulgated by the Board of Commissioners of the Orleans Levee District for the New Orleans Lakefront Airport, as the same may be amended, modified, supplemented, renewed or replaced by Public Sponsor, until such time as Private Operator shall establish rules and regulations for the Premises.

ANNUAL STATEMENT. The term "Annual Statement" shall mean the annual statement of Gross Income (hereinafter defined) to be furnished by Private Operator to Public Sponsor each Lease Year (hereinafter defined), which (a) shall be prepared in accordance with Accounting Principles and certified to Public Sponsor by a CPA (hereinafter defined), (b) shall set forth for the relevant Lease Year all Gross Income by category and source and in sufficient detail to show each item that accounts for three percent (3.0%) or more of Gross Income, (c) shall include an accounts payable aging report, for all accounts unpaid for more than 30 days past due, (d) shall include an accounts receivable aging report for all accounts receivable more than 30 days past due, and (e) an annual statement on the operation of the Fuel Farm, including an annual statement of Net Fuel Revenue, a schedule of direct sales of fuel with units sold in gallons and unit sales prices, a schedule of direct cost of fuel sold with units sold in gallons, cost per gallon, and expenses and taxes paid, and a written statement on any fuel flowage fees or similar fees collected by Private Operator or any operator of the Fuel Farm as the result of sales and delivery of fuel at the Airport.

APPLICATION FOR EXEMPTIONS OR APPLICATION. The term “Application for Exemptions or Application” shall mean that certain application filed by Public Sponsor and Private Operator with the FAA under the Federal Airport Privatization Pilot Program, 49 U.S.C. § 47134.

ARCHITECT. “Architect” shall mean an architect licensed by the State of Louisiana and selected by Private Operator.

BASELINE ENVIRONMENTAL CONDITIONS. The term “Baseline Environmental Conditions” shall mean all known or unknown Environmental Conditions that are in existence as of the Commencement Date (hereinafter defined) at the Premises as constituted on the date of this Agreement; however, the Baseline Environmental Conditions shall not include asbestos at the Leased Premises that on the Commencement Date requires no Remedial Action.

BEST EFFORTS. The term “Best Efforts” shall mean reasonable Best Efforts requiring only such expenditure of funds and resources by the applicable Party in its sole discretion to support efforts with regard to the facts, circumstances and results to be achieved.

BOARD. The term “Board” shall mean the Board of Commissioners of the Orleans Levee District, which is the governing authority of the Orleans Levee District.

BULKHEAD. The term “Bulkhead” shall mean the structures constructed by the Board to protect the Airport from encroachment by water from Lake Pontchartrain. The Bulkhead is fully described in the Airport Layout Plan, a copy of which is attached hereto as Exhibit “C.”

BUSINESS DAY. The term “Business Day” shall mean any day which is not a Saturday, Sunday or a legal holiday observed by either the State of Louisiana, the U.S. Government, or the City of New Orleans.

CERTIFICATE OF OCCUPANCY. The term “Certificate of Occupancy” shall mean a temporary or permanent certificate of occupancy issued by any Governmental Authority.

C.F.R. "C.F.R." shall mean the Code of Federal Regulations and any successor regulations.

COMMENCEMENT DATE. The term "Commencement Date" shall mean the first day of occupancy of the Premises by Private Operator, which date shall occur no later than 30 days after the Effective Date (hereinafter defined).

CPA. "CPA" shall mean a certified public accountant licensed by Louisiana and selected by Private Operator.

DEFAULT. The term "Default" shall mean any condition or event which constitutes or would constitute, after notice or lapse of time or both, an Event of Default (hereinafter defined).

DEPARTMENT OF CIVIL SERVICE. The term "Department of Civil Service" shall mean the Louisiana Department of Civil Service.

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT. The "Department of Transportation and Development" shall mean the Louisiana Department of Transportation and Development (LADOTD) or any successor agency thereto.

DEPOSITARY. The term "Depositary" shall mean a savings bank, a savings and loan association or a commercial bank or trust company which would qualify as an Institutional Lender (savings bank, savings and loan association, commercial bank, organized and existing under the laws of the U.S. or the State of Louisiana), and located in the City of New Orleans, designated by Private Operator and approved by Public Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed, to serve as Depositary pursuant to this Agreement. In the event Private Operator shall have failed to designate a Depositary within ten (10) business days after the request of Public Sponsor, Public Sponsor shall have the right to designate such Depositary.

DUE DATE. The term "Due Date" shall mean (a) with respect to any Taxes or other Impositions (hereinafter defined), the last date on which such Taxes or Impositions can be paid without any fine, penalty, interest or cost being added thereto or imposed by law for the non-payment or late payment thereof, and (b) with respect to any payment of any Rent (hereinafter defined), the date such payment is first due to Public Sponsor hereunder, and if

no date is set forth in this Agreement for such payment, then thirty (30) days following the date on which written demand is made for such payment.

EFFECTIVE DATE. The term "Effective Date" of this Agreement shall be the latest of the following dates:

- (a) the date on which the FAA approves, in accordance with 49 U.S.C. § 47134(b)(1), an exemption for Public Sponsor from the provisions of 49 U.S.C. § 47107(b) and § 47133 (and any other law, regulation, or grant assurance) to the extent necessary to permit the Public Sponsor to recover and use such amount of the revenues from this lease of the airport as may be authorized under 49 U.S.C. § 47134(b)(1);
- (b) the date on which the FAA approves, in accordance with 49 U.S.C. § 47134(b)(2), an exemption for Public Sponsor from the provisions of 49 U.S.C. § 47107 and § 47152 (and any other law, regulation, or grant assurance) to the extent necessary to waive any obligation of Public Sponsor to repay the U. S. Government any grants, or to return to the U. S. Government any property received by Public Sponsor under Title 49 U.S.C., the Airport and Airway Improvement Act of 1982, or any other law;
- (c) the date on which the FAA approves, in accordance with 49 U.S.C. § 47134 (b)(3), an exemption for Private Operator from the provisions of 49 U.S.C. § 47107(b) and § 47133 (and any other law, regulation, or grant assurance) to the extent necessary to permit Private Operator to earn compensation from the operation of the Premises;
- (d) the date on which the FAA provides the written consent to this Agreement;
- (e) the date on which the FAA issues to Private Operator the Part 139 Certificate (hereinafter defined);
- (f) the date on which the FAA approves the CIP as defined in Article 7.1;
- (g) the date on which Private Operator approves the terms and conditions of a cooperative endeavor agreement allowing Private Operator use of equipment located on the Premises on the date of this Agreement; and,

- (h) the date on which the Louisiana Department of Civil Service approves any lay-off plan submitted by Public Sponsor.

ENGINEER. "Engineer" shall mean an engineer licensed by Louisiana and selected by Private Operator.

ENVIRONMENT. The term "Environment" shall mean soil, surface waters, groundwaters, land, sediments, surface or subsurface strata, ambient air, buildings and structures.

ENVIRONMENTAL CONDITION. The term "Environmental Condition" shall mean any condition with respect to the Environment, on or off the Premises, whether or not yet discovered that causes or consists of a violation of Environmental Laws or that requires Remedial Action pursuant to Environmental Laws.

ENVIRONMENTAL DAMAGES. The term "Environmental Damages" shall mean all claims, judgments, damages (including but not limited to punitive damages), losses, penalties, fines, liabilities (including but not limited to strict liability), encumbrances, liens, costs and expenses of investigation and defense of any claim, whether or not such is ultimately defeated, and of any settlement or judgment, of whatever kind or nature, contingent or otherwise, matured, unmatured, foreseeable or unforeseeable, any of which are incurred at any time as a result of (a) an Environmental Condition, (b) the existence of Hazardous Substances on, about or beneath the Premises or which have migrated to or from the Premises, (c) the Release or Threatened Release of Hazardous Substances into the Environment or (d) the violation or threatened violation of any Environmental Laws pertaining to the Premises, including:

- (i) damages for personal injury, disease or death or injury to property or natural resources occurring on or off the Premises including lost profits, consequential damages, the cost of demolition and rebuilding of any improvements;
- (ii) diminution in the value of the Premises, and damages for the loss of or restriction on the use of the Premises;
- (iii) reasonable fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other reasonable costs incurred in connection with

the investigation, required cleanup or remediation, including the preparation of any feasibility studies or reports and the performance of any required cleanup, remedial action, mitigation, removal, abatement, containment, closure, restoration or monitoring work; and,

- (iv) liability to any Person or entity to indemnify such Person or entity for costs expended in connection with any item referenced in ARTICLE THIRTY-ONE.

ENVIRONMENTAL LAWS. The term “Environmental Laws” shall mean all applicable present and future laws, rules, orders, ordinances, regulations, statutes, requirements, permits, codes and executive orders of all Governmental Authorities, which have or shall have jurisdiction over the Premises relative to the protection of human health or the Environment.

EQUIPMENT. The term “Equipment” shall mean at any time during the Term (hereinafter defined) all Articles of personal (movable) property used at such time at or in connection with the Premises, including but not limited to all passenger bridges, navigation equipment, machinery, lighting equipment, communications apparatus, security systems, fire fighting vehicles and rescue vehicles, water tanks, snow removal and lawn maintenance equipment, tools, supplies, antennas, computers and software, sensors, except to the extent that any of the foregoing shall be owned by Subtenants (hereinafter defined), contractors, utility companies, or other third parties.

EVENT OF DEFAULT. The term “Event of Default” shall have the meaning provided in ARTICLE TWENTY-SIX.

EXISTING AGREEMENTS. The term “Existing Agreements” shall mean the leases, subleases, permits, contracts and other Agreements, including the FAA and LADOTD Agreements (hereinafter defined), and rights of third parties, and all amendments, modifications, supplements, renewals and replacements thereof in effect on the date of this Agreement, and all such agreements, amendments, modifications, supplements, renewals and replacements thereof which have been approved by Private Operator (such approval not to be unreasonably withheld, conditioned or delayed) and signed by the Public Sponsor after the date of this Agreement and on or before the Commencement Date, and such other defining

documents such as the ALP, the Master Plan (hereinafter defined), the Airport Regulations and the Minimum Standards. The Existing Agreements in effect as of the date of this Agreement are identified in **Exhibit “H”**.

EXPIRATION DATE. The term “Expiration Date” shall mean the Scheduled Expiration Date (hereinafter defined) or such earlier date upon which this Agreement may be terminated as provided herein.

FEDERAL AVIATION ADMINISTRATION OR FAA. The “Federal Aviation Administration (FAA)” shall mean the Aviation Administration created by the Federal Aviation Act of 1958, as amended and recodified, or any successor agency thereto.

FAA AGREEMENTS. The term “FAA Agreements” shall mean all Agreements with respect to the Premises between Public Sponsor and the FAA and between Private Operator and the FAA, including grant agreements and assurances, subject to any exemptions granted by the FAA pursuant to 49 U.S.C. § 47134 or otherwise, and all amendments, modifications, supplements, renewals and replacements thereof.

FAR. “FAR” shall mean the Federal Aviation Regulations set forth in Title 14 of the C.F.R., as the same may be amended, modified, supplemented, renewed or replaced, and any successor thereto.

FEDERAL PILOT PROGRAM. The term “Federal Pilot Program” shall mean the Airport Privatization Pilot Program established by Article 149 of the Federal Aviation Authorization Act of 1996, authorizing the United States Department of Transportation to grant exemptions from certain Federal statutory and regulatory requirements for up to five airport privatization projects, as codified in 49 U.S.C. §47134.

FORCE MAJEURE. The term “Force Majeure” is hereby defined to include any Act of God or public enemy; any fortuitous event; compliance in good faith with any applicable governmental regulations, law or order whether or not it proves to be invalid; fires; riots; floods; labor disputes; natural disasters; terrorism; war (whether declared or undeclared); civil disturbances or popular uprisings; epidemics; unusually severe weather, including hurricanes; unavailability of materials; or any other cause beyond the reasonable control of the Parties.

FUEL FARM. The term "Fuel Farm" shall mean that certain fuel dispensing complex that is presently serving the Airport, which is located near the southwest corner of the Airport, or any replacement thereof.

GOVERNMENTAL AUTHORITY. The term "Governmental Authority" shall mean any governmental authority, including, the U.S., the FAA, the State of Louisiana and the City of New Orleans, and any agency, department, corporation, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having or exercising jurisdiction over Private Operator or the Premises or any portion thereof.

GROSS INCOME. The term "Gross Income" shall mean in accordance with Accounting Principles, any and all (a) Airport Fees received by Private Operator, (b) revenues received by Private Operator from commercial concessions at the Premises, including but not limited to retailing, catering, car parking and fixed based operations, (c) Net Fuel Revenue (defined hereinafter); (d) gross rentals, receipts, and all other fees, proceeds and amounts of any kind and anything else of value received by or for the account of Private Operator or any Affiliate of Private Operator, except as excluded hereinbelow in this definition, from Subtenants, occupants, or users in connection with or arising out of the Premises, any part thereof, any right or interest therein or in respect thereof, or (e) gross rentals, receipts, fees, proceeds received by Private Operator from the leasing, use, occupation or operation of the Premises or any part thereof, including without limiting the generality of the foregoing, amounts received from or in respect of (i) Subleases (hereinafter defined), such amounts including, fixed rental, minimum rental, rental computed on the basis of sales or other criteria, additional rental, escalation rental, and Subtenant security deposits (and interest therein) applied in payment of any such rental other than for the repair of the Premises for which such security deposit was made; and/or (ii) the providing of goods or services of any kind to any Subtenants, or to any Person on the Premises, or in connection with the use, occupation or operation of the Premises, even if such goods or services are provided from a location off the Premises but are related to the Premises, including concessions, licenses or agreements granted to third parties in connection with the providing of any such goods or services; and/or (iii) the proceeds of insurance paid in lieu of rental and business interruption insurance; provided,

however, that Gross Income shall not include (1) commercially reasonable amounts received by an Affiliate of Private Operator for goods or services provided by an Affiliate of Private Operator to Private Operator or any Subtenants or to any person on the Premises, in connection with the use, occupation or operation of the Premises or any part thereof, provided that any amount received by an Affiliate of Private Operator that exceeds commercially reasonable amounts for goods and services shall be included in Gross Income, and Private Operator shall have the burden to establish and demonstrate that such amounts received by an Affiliate of Private Operator were commercially reasonable amounts for goods and services provided to Private Operator or any Subtenants or to any person on the Premises; (2) amounts received in reimbursement of costs incurred by Private Operator that are the responsibility of a Subtenant, whether pursuant to a Sublease or pursuant to law (excluding any administrative charges paid in connection therewith); (3) amounts received as security deposits from Subtenants and the interest thereon, and administrative charges assessed in connection therewith, except for any security or interest as and when retained by Private Operator and not applied to the repair of the Premises for which such security deposit was made, (4) amounts received for any Governmental Authority taxes, sales tax, compensating use tax, commercial occupancy tax, parking tax, or other tax, or Imposition collected or received by Private Operator on behalf of and paid to such Governmental Authorities, (5) amounts received from electrical and all other utilities submetering paid to or for the account of Private Operator (excluding any administrative charges permitted thereunder), (6) proceeds of insurance (except insurance paid in lieu of rental or business interruption insurance) received as a result of casualties or other cause, or condemnation awards (except awards paid to compensate for lost rental or business interruption), (7) secured or unsecured borrowings by Private Operator, and amounts received from equity providers that are equity contributions made to Private Operator, (8) any refund of amounts previously paid by Private Operator, including taxes or insurance premiums, by the Person to whom such payment was made, (9) amounts received as FAA grants or as grants of any other Governmental Authority or other aid with respect to the Premises, including but not limited to passenger facility charges or similar user fees approved by a Governmental Authority as airport aid, (10) amounts received by Subtenants or any other Persons on the Premises (excluding those amounts payable to Private Operator),

or (11) amounts received by an Affiliate of Private Operator from Subtenants, Sub-subtenants, occupants, users, or any Person on the Premises, from the leasing, use, occupation or operation of the Premises, any part thereof, any right or interest therein or in respect thereof, including sub-subleases entered into by an Affiliate with any Person, which said amounts are received by an Affiliate as the result of an arms length contract by and between Private Operator and an Affiliate, at demonstrated fair market value rates and with commercially reasonable terms and conditions in existence at that time, entered into after full disclosure of the terms and conditions of any such proposed contract by Private Operator to Public Sponsor, e.g., a sublease by Private Operator with an Affiliate; provided that Private Operator shall have the burden to establish and demonstrate that such contract by and between Private Operator and an Affiliate was at demonstrated market rates; and, further provided that the difference between (1) the amount payable by an Affiliate to Private Operator pursuant to a contract not at demonstrated fair market value rates, and (2) the amount that represents the fair market value rates for such a contract with Private Operator, shall be included in Gross Income. Examples of Gross Income when dealing with Affiliates are:

- (1) Affiliate leases 1 acre of ground from Private Operator at the fair market value rate that independent third parties are paying of \$0.26 per sq. foot or \$12,196 per annum. Affiliate then constructs a hanger on that acre at a cost of \$750,000 and leases that hanger to a third party for \$75,000 per year. Gross Income shall only include the \$12, 196 per annum rent that Affiliate pays Private Operator; or
- (2) Affiliate leases 20,000 square foot of space in the terminal from Private Operator at a fair market value rate that independent parties are paying a \$9.00 per sq. foot or \$180,000 per annum to operate a restaurant. Affiliate generates \$1,000,000 of Revenues and has \$850,000 of expenses (including the rent expense), for a \$150,000 net profit. Gross Income shall only include the \$180,000 per year rent that Affiliate pays to Private Operator.

GUARANTEED ANNUAL RENT. The term “Guaranteed Annual Rent “shall have the meaning set forth in Article 5.4 hereof.

HAZARDOUS SUBSTANCES. The term "Hazardous Substances" shall mean (a) any toxic substance or hazardous waste, substance or related material, or any pollutant or contaminant; (b) radon gas, asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or the equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, (c) any substance, gas, material or chemical which is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous wastes," or words of similar import under any present or future Federal, State of Louisiana or local Environmental Law(s), or any standard or regulations promulgated thereunder and (d) any other chemical, material, gas, vapor, energy, radiation or substance, the exposure to or release of which is or may be hereafter prohibited, limited or regulated by any Governmental Authority having jurisdiction over the Premises or the operations or activity at the Premises, or any chemical, material, gas, vapor, energy radiation or substance that poses a hazard to the health or safety of the occupants of the Premises or the occupants of property adjacent to the Premises.

IMPOSITIONS. The term "Impositions" shall have the meaning provided in Article FIVE.

IMPROVEMENTS. The term "Improvements" shall mean all buildings, other constructions, structures, facilities, the Fuel Farm located on the Airport, and all other improvements and appurtenances of every kind and description now located or hereafter erected, constructed, or placed upon the Land (hereinafter defined), except as may be owned by Subtenants, including all fixtures incorporated therein, and all component parts, including but not limited to air conditioning, plumbing, mechanical and lighting equipment, pipes, conduits, and fittings, elevators, escalators, and all terminals, hangars, control towers, runways, taxiways, aprons, roads, sidewalks, landscaping, fountains and utilities (unless owned by a public utility company), and any and all alterations and replacements thereof, additions thereto, and substitutions therefor.

LAND. The term "Land" shall mean (a) the parcels of land located in the Parish of Orleans, State of Louisiana, as more particularly described in **Exhibit "B"** and all easements and other rights pertaining thereto, and (b) any other land and all easements and other rights pertaining thereto added to the Premises after the Commencement Date.

LEASE INTEREST. The term "Lease Interest" shall mean a direct or indirect interest in this Agreement.

LEASE MORTGAGE. The term "Lease Mortgage" shall mean a lease mortgage encumbering the lease interest of Private Operator in the Premises entered into during the Term by Private Operator, and any successors and assigns of Private Operator.

LEASE MORTGAGEE. The term "Lease Mortgagee" shall mean the mortgagee under a Lease Mortgage.

LEASE YEAR. The term "Lease Year" shall mean the twelve month period beginning on the Commencement Date and each succeeding twelve month period during the term.

LETTER OF CREDIT. The term "Letter of Credit" shall mean an irrevocable, unconditional, commercial, transferable letter of credit, in favor of Public Sponsor, payable in U.S. dollars upon presentation of a sight draft without presentation of any other document, statement or authorization, which Letter of Credit is (a) issued by a commercial bank or trust company which is acceptable to Public Sponsor and (b) shall provide for the continuance of such Letter of Credit for a period of one hundred and eighty (180) days after the Scheduled Expiration Date or earlier termination of this Agreement. The office for presentment of sight drafts specified in the Letter of Credit shall be located at a specified street address within the City of New Orleans.

MASTER PLAN. The term "Master Plan" shall mean the Airport Master Plan adopted by the Board of Commissioners of the Orleans Levee District on file with the FAA on the date of execution of this Agreement, and as hereafter may be amended, modified, supplemented, renewed or replaced from time to time by Private Operator, with the approval of (1) Public Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed, and (2) the FAA.

MINIMUM STANDARDS. The term "Minimum Standards" shall mean the New Orleans Lakefront Airport Minimum Standards for Aeronautical Activity, effective on the Commencement Date, and as the same thereafter may be amended, modified, supplemented, renewed or replaced by Private Operator.

NEPA. “NEPA” shall mean the National Environmental Policy Act, 42 U.S.C. § 4321, et seq., and any regulations promulgated thereunder, as the same may be amended, modified, supplemented, renewed or replaced.

NET FUEL REVENUE. The term “Net Fuel Revenue” shall mean the total sales price charged and paid by any Person for aviation fuel sales and deliveries by Private Operator or any operator of the Fuel Farm, less (1) the cost paid to purchase aviation fuel by Private Operator or any operator of the Fuel Farm, and (2) amounts collected and/or paid by Private Operator to any Governmental Authority for any taxes for aviation fuel purchases and sales and deliveries by Private Operator or any operator of the Fuel Farm. Notwithstanding the foregoing, in the event that the Private Operator or an Affiliate of Private Operator, as a Fixed Based Operator (FBO) or retail fuel supplier, is engaged in the resale and delivery of fuel (i.e., retail fuel sales) the income derived therefrom shall not be considered Net Fuel Revenue, provided that any sale of fuel by the Private Operator or any operator of the Fuel Farm to an Affiliate shall be under the same terms and conditions as fuel sales to other users, e.g., FBOs. Net Fuel Revenue shall also include any fuel flowage fee or similar fee collected by Private Operator as the result of sales and deliveries of fuel at the Airport by any fuel vendors. For purposes of determining Net Fuel Revenue, the cost paid to purchase aviation fuel shall be defined as cost of sales recognizing changing inventory values, which values shall be defined using first in, first out (FIFO) or average cost method.

OPERATING CERTIFICATE. The term “Operating Certificate” shall mean the certificate issued to the Airport by the Federal Aviation Administration pursuant to Federal Aviation Regulation Part 139.

ORLEANS LEVEE DISTRICT. The term “Orleans Levee District” shall mean the public levee district for the Parish of Orleans, which is a political subdivision of the State of Louisiana.

PART 139 CERTIFICATE. “Part 139 Certificate” shall mean the certificate issued by the FAA under 14 C.F.R. Part 139 for Private Operator’s operation of the Airport.

PARTIES. The term “Parties” shall mean for purposes of this Agreement the Public Sponsor and Private Operator.

PERCENTAGE RENT. The term “Percentage Rent” shall have the meaning provided in ARTICLE FIVE.

PERMITS. “Permits” shall mean all permits, licenses, consents, certificates and approvals required to be obtained from all Governmental Authorities.

PERSON. “Person” shall mean and include an individual, corporation, partnership, limited liability company, limited liability partnership, joint venture, estate, trust, unincorporated association, the U.S., State of Louisiana, or City of New Orleans, bureau, department or agency thereof, and any other entity.

PLANS AND SPECIFICATIONS. The term “Plans and Specifications” shall mean the plans and specifications for the construction of any of the Improvements, in compliance with, and with all approvals required, sealed by the Architect and/or Engineer, as appropriate, and all modifications thereof.

PREMISES. The term “Premises” and “Leased Premises” shall mean the Land and Improvements described in ARTICLE THREE.

PRIME RATE. The term “Prime Rate” shall mean the rate reported by The Wall Street Journal (or its successors) as the so-called “prime rate.” If the Wall Street Journal (or its successors) no longer announces a “prime rate,” the Prime Rate shall mean a comparable rate announced from time to time by a comparable publication selected by Public Sponsor, and approved by Private Operator, such approval not to be unreasonably withheld, conditioned or delayed; provided that if Private Operator shall not grant such approval and Public Sponsor and Private Operator dispute the appropriate comparable rate, Public Sponsor’s selected comparable rate shall be applied to this Agreement until such dispute is resolved, at which time, any payments made under this Agreement during the period of dispute shall be appropriately adjusted. Any interest payable under this Agreement with respect to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 365-day year.

PRIVATE OPERATOR. The term “Private Operator” shall mean American Airports Lakefront, L.L.C.

PRIVATE OPERATOR'S ENVIRONMENTAL ACTS. The term "Private Operator's Environmental Acts" shall mean the intentional, affirmative acts, negligent acts and negligent omissions of Private Operator, its agents, contractors, or Subleases which occur after the Commencement Date and which create an Environmental Condition.

PROTECTED PARTIES. The term "Protected Parties" shall mean (a) Public Sponsor and each member thereof in the event Public Sponsor is a governmental entity, partnership, joint venture, limited liability company, limited liability partnership or other entity, (b) the respective commissioners, trustees, members, directors, shareholders, partners, officers, employees, agents and disclosed and undisclosed principals of the Persons described in (a) and (b) in this definition.

PUBLIC SPONSOR. The term "Public Sponsor" shall mean the Board of Commissioners of the Orleans Levee District.

PUBLIC SPONSOR'S ENVIRONMENTAL ACTS. The term "Public Sponsor's Environmental Acts" shall mean the intentional, affirmative acts, negligent acts and negligent omissions of Public Sponsor, its agents, employees or contractors which occur after the Commencement Date and which create an Environmental Condition ; provided that the Public Sponsor's Environmental Acts shall not include the discovery of any Environmental Condition, which condition was not created by Public Sponsor, its agents, employees, or contractors in the course of performing work on the Premises or otherwise.

QUARTERLY STATEMENT. The term "Quarterly Statement" shall mean a Quarterly Financial Statement of Gross Income to be furnished by Private Operator to Public Sponsor within 30 days after the end of each business quarter which (a) shall be prepared in accordance with Accounting Principles and certified to Public Sponsor by the Comptroller or Chief Financial Officer of Private Operator or person of similar authority; (b) shall set forth for the relevant business quarter all gross income by category and source in sufficient detail to show each item that accounts for three percent (3.0%) or more of Gross Income; (c) shall include an accounts payable aging report for all accounts payable unpaid for more than 30 days past due; and (d) shall include an accounts receivable aging report for all accounts receivable more than 30 days past due.

RELEASE. The term "Release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Substance into the Environment.

REMEDIAL ACTION. The term "Remedial Action" shall mean any or all corrective or remedial actions, preventative measures, responses, removal, transport, disposal, clean-up, abatement, treatment, containment, closure, mitigation and monitoring required to be taken under any Environmental Laws, and includes all studies, assessments, reports or investigations performed in connection therewith to determine if such actions are required.

RENT. The term "Rent" shall mean the "Guaranteed Annual Rent," "Percentage Rent," if any, and any "Additional Rent."

RESTORE. The term "Restore" shall mean to repair, alter, restore, replace or rebuild all or any part of any or all of the Improvements damaged or destroyed, or taken for any public or quasi-public purpose as applicable, or in any such instance to make, at Private Operator's option, other Improvements on the Premises as Private Operator may reasonably determine, subject to the terms and conditions of this Agreement.

SCHEDULED EXPIRATION DATE. The term "Scheduled Expiration Date" shall mean the day immediately preceding the fiftieth anniversary of the Commencement Date.

SECRETARY. The term "Secretary" shall mean the United States Secretary of Transportation.

SUBLEASE. The term "Sublease" shall mean any and all subleases, franchises agreements, license agreements and concession agreements by the Private Operator related to the use and/or operation of the Leased Premises.

SUBTENANTS. The term "Subtenants" shall mean all subtenants, franchisees, licensees and concessionaires under agreements and/or Subleases with the Private Operator.

TERM. The "Term" of this Agreement shall be defined as the period of time set forth in ARTICLE TWO, Section 2.1 of this Agreement.

THREATENED RELEASE. The term "Threatened Release" shall mean a substantial likelihood of a Release which requires action to prevent or mitigate damage to the Environment which may result from said Release.

UNAVOIDABLE DELAYS. The term “Unavoidable Delays” shall mean delays incurred due to strikes, lockouts and work stoppages due to labor disputes, Force Majeure, inability to obtain labor or materials due to governmental restrictions, enemy action, civil commotion, the acts or failure to act of the other Party to this Agreement, fire, casualty or other similar causes beyond the reasonable control of Public Sponsor or Private Operator, as the case may be in each case, provided that (1) such delay is not due to the act, omission or negligence of such Party or any agent, employee or contractor of such Party, or such Party’s insolvency or financial condition, (2) such Party shall have notified the other Party promptly after such Party knows or should have known of the occurrence of such delay and (3) despite the reasonable efforts of the Party whose performance is affected by such delay, such Party has been unable to prevent or mitigate the effects of such delay.

U. S. The term “U. S.” shall mean the United States of America.

All terms defined hereinabove shall have the singular meaning when used in the singular form and the plural meaning when used in the plural form of the definition provided herein.

ARTICLE ONE

INCORPORATION OF RECITALS

- 1.1 The Recitals set forth above and all of the covenants and obligations contained therein are incorporated by reference and made a part of the Agreement of the Parties.

ARTICLE TWO

TERM OF THE AGREEMENT

- 2.1 The Term of this Agreement shall be for a period of Fifty (50) years, unless sooner terminated as herein provided, commencing on the Commencement Date, and expiring Fifty (50) years from the Commencement Date on the Scheduled Expiration Date. Private Operator shall be entitled to occupancy of the Premises only upon the Commencement Date, as defined in this Agreement. On the date that Private Operator takes occupancy of the Premises, the Parties hereto shall confirm said date in writing and said date shall be established as the Commencement Date of the Term of this Agreement.
- 2.2 The Parties hereto understand and agree that this Agreement is conditioned upon and subject to the conditions set forth in the definition herein of Effective Date, including but not limited

to approval of the Application for Exemptions under the Federal Airport Privatization Pilot Program, 49 U.S.C. § 47134, by the Administrator of the Federal Aviation Administration, and approval of any lay-off plan submitted by Public Sponsor to the Louisiana Department of Civil Service. Accordingly, it is agreed that this Agreement shall not be effective and the Commencement Date shall not occur until and unless (1) said approvals are obtained from the Administrator of the Federal Aviation Administration and the Director of the Louisiana Department of Civil Service, and (2) and all of the conditions listed in the definition of Effective Date are satisfied and/or fulfilled, and that said approvals and conditions are suspensive conditions (conditions precedent) of all of the obligations of the Parties and of the enforcement of this Agreement. Public Sponsor shall use its Best Efforts and Private Operator agrees to use its Best Efforts to obtain approval of said Application from the Administrator of the Federal Aviation Administration and approval of a lay-off plan by the Louisiana Department of Civil Service.

- 2.3 The Parties hereto further agree that if the Application for Exemptions is approved by the Administrator of the Federal Aviation Administration, but thereafter at any time during the Term of this Agreement the Exemptions granted pursuant to 49 U.S.C. § 47134 (b) (1) or (2) are revoked, rescinded or terminated as a result of any action or inaction of Private Operator, then in such event Public Sponsor, in addition to any other rights provided under the terms of this Agreement, shall have the right and option to terminate this Agreement upon ninety (90) days written notice to Private Operator; provided that Public Sponsor shall only have one hundred twenty (120) days after notice is received by Public Sponsor of any such revocation, rescission or termination to exercise its right and option to terminate this Agreement. If said option to terminate is not exercised within said one hundred twenty (120) day period, Public Sponsor's right to terminate shall be waived and no longer enforceable. If the Exemption granted pursuant to Section 47134 (b)(3) is rescinded or terminated as a result of the action of inaction of Public Sponsor, then Private Operator shall have the right and option to terminate this Agreement upon ninety (90) days written notice to Public Sponsor; provided that Private Operator shall have one hundred twenty (120) days after notice is received by Private Operator of such rescission or termination to exercise its right and option to terminate this Agreement. If said option to terminate is not exercised within said one hundred twenty

(120) day period, Private Operator's right to terminate shall be waived and no longer enforceable. If Private Operator terminates this Agreement, then Public Sponsor shall pay to Private Operator (1) damages in the amount equal to the net income of Private Operator for the period which otherwise would have constituted the unexpired portion of the Term, discounted to present value at the Prime Rate on the Agreement termination date; in calculating the net income from such date until the Scheduled Expiration Date, net income shall be deemed to be the net income of Private Operator during the last lease year immediately preceding such date of termination, and, (2) the Unamortized Capital Investment, in accordance with the provisions of ARTICLE SEVEN, Section 7.20.

- 2.4 If the Commencement Date does not occur on or before one year from the date of execution of this Agreement, and Private Operator is not responsible for the failure of the Commencement Date to occur on or before such date, then Private Operator may terminate this Agreement by notice to Public Sponsor specifying a termination date not less than thirty (30) days from the date such notice is given; provided that if the Commencement Date shall occur prior to said termination date or should Private Operator be responsible for its failure to occur prior to said termination date, said notice shall be void and this Agreement shall remain in full force and effect. If this Agreement terminates pursuant to this ARTICLE TWO, Private Operator and Public Sponsor shall have no further rights or actions of any kind against the other related to or arising out of this Agreement.
- 2.5 In the event that Gross Income during any lease year during the first ten years of the Lease is less than \$1,800,000.00, Adjusted For Inflation, Private Operator shall have the right to terminate this Lease upon 120 days prior written notice to Public Sponsor.
- 2.6 In the event that there is a change or are changes in any of the laws and/or regulations relating to Private Operator's obligations under this Lease which would substantially increase Private Operator's expenses in fulfilling its obligations under this Lease, then Private Operator shall have the right to terminate this Agreement upon 120 days prior written notice to Public Sponsor.
- 2.7 Notwithstanding anything else to the contrary contained in ARTICLE THIRTEEN, in the event that Private Operator's ability to operate the Airport is substantially impaired as a result of an act of Force Majeure, then Private Operator shall have the right to terminate this

Agreement upon (1) 120 days prior written notice to Public Sponsor and (2) assignment to Public Sponsor of any of Private Operator's interest in and to insurance proceeds, which may be payable to Private Operator and/or Public Sponsor, as a result of such act of Force Majeure.

- 2.8 In the event that Private Operator exercises its right to terminate this Agreement pursuant to ARTICLE TWO, Sections 2.5, 2.6 or 2.7, Public Sponsor shall not be obligated to reimburse Private Operator for any capital investment made by Private Operator or any other person on the Premises and Private Operator shall not be entitled to any compensation of any kind from Public Sponsor; and, provided further Private Operator and Public Sponsor shall have no further rights or actions of any kind against the other related to or arising out of this Agreement.

ARTICLE THREE

THE PREMISES

- 3.1 Public Sponsor hereby leases to Private Operator, and Private Operator hereby leases from Public Sponsor, the Premises, subject to the terms and conditions herein and the Existing Agreements, to have and to hold unto Private Operator, its successors and assigns, for a term which shall commence on the Commencement Date and shall expire on the Scheduled Expiration Date unless sooner terminated in accordance with the terms and provisions of this Agreement.
- 3.2 The Premises hereby leased and delivered by Public Sponsor to the Private Operator consist of the Land and all of the Improvements located thereon as of the Commencement Date, situated on the south shore of Lake Pontchartrain in the Parish of Orleans, State of Louisiana, known as the "New Orleans Lakefront Airport," and are described as set forth in **Exhibit "B"** annexed hereto and by this reference made a part hereof, except for the property expressly excluded from the Premises under the provisions of ARTICLE THREE Sections 3.3 and 3.4.
- 3.3 The Premises shall not include the Senator Ted Hickey Bridge located on the southwest corner of the Premises and shall not include the overpass roadways connecting with the said Senator Ted Hickey Bridge located on the south side of the Premises. The Senator Ted Hickey Bridge and the overpasses located on the Premises are identified on the ALP, a copy of which is attached hereto and marked for identification as **Exhibit "C"** and identified and highlighted on **Exhibit "C-1"**. The Parties hereto agree that Private Operator shall have no obligations

or rights of any kind relating to the repair, operation or maintenance of the property described in this ARTICLE THREE, Section 3.3, which is expressly excluded from the Premises. Public Sponsor shall be responsible throughout the Term of this Agreement for the maintenance, operation and repair of the property described in this ARTICLE THREE, Section 3.3.

- 3.4 Public Sponsor and Private Operator hereby acknowledge that the paintings by Xavier Gonzalez located in the terminal on the Premises and described in Exhibit "D" attached hereto are specifically excluded from this Agreement. Public Sponsor shall be solely responsible for the care, maintenance, preservation, insurance and relocation costs of such paintings. Public Sponsor and Private Operator hereby acknowledge that the artwork of Enrique Alvarez located on the interior and exterior of the terminal on the Premises are valuable pieces of art and Private Operator hereby agrees not to demolish, change, alter, damage or perform any activity relative to said artwork which would in any way diminish the value of said artwork without granting Public Sponsor the right to remove in its sole discretion and at its expense any of said artwork located on the interior and exterior of the terminal building in the event of any renovation or demolition that would damage or require the demolition of said artwork.
- 3.5 The Premises also includes any Improvement constructed or installed thereon during the Term hereof, including but not limited to terminals, hangars and runways.
- 3.6 Public Sponsor and Private Operator hereby acknowledge that the "Fountain of the Four Winds," on the Premises is a valuable piece of art and Private Operator hereby agrees not to demolish, change, alter, damage or perform any activity relative to said Fountain which would in any way diminish the value of said Fountain. Notwithstanding the foregoing, Private Operator may relocate said Fountain on the Premises, provided Public Sponsor shall have the right to approve the new location, which approval shall not be unreasonably withheld, delayed or conditioned.
- 3.7 The Premises and all of the Improvements, appurtenances and all fixtures thereon, including but not limited to the structural components and roofs of any buildings, and the plumbing, electrical, utility, and HVAC systems, are accepted by Private Operator in their "AS IS" condition as of the Commencement Date. Private Operator acknowledges that it has had and/or has been given an adequate opportunity to make such legal, factual and other inquiries, inspections and investigations as Private Operator deems necessary, desirable or appropriate

with respect to the Premises, and waives any and all legal claims concerning the condition of the Premises against Public Sponsor. Private Operator hereby acknowledges that, except for the express representations and warranties set forth in this Agreement made by Public Sponsor, it shall not be entitled to, and should not rely on, the Public Sponsor or its agents as to (i) the quality, nature, adequacy or physical condition of the Premises including, but not limited to, the structural elements, foundations, roofs, appurtenances, access, landscaping, fountains, parking facilities or the electrical, mechanical, HVAC, plumbing, sewerage or utility systems, facilities or appliances on the Premises; (ii) the quality, nature, adequacy or physical condition of soils or the existence of ground water at the Premises; (iii) the existence, quality, nature, adequacy or physical condition of any utilities serving the Premises; (iv) the development potential of the Premises, its habitability, merchantability or fitness, suitability or adequacy of the Premises for any particular purpose; (v) the zoning of the Premises; (vi) the Premises or its operations' compliance with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions or restrictions of any governmental or quasi-governmental entity or of any other Person or entity; or (vii) the quality of any labor or materials relating in any way to the Premises. Public Sponsor agrees to maintain and repair the Premises in at least the condition as of the date of execution of this Agreement until the Commencement Date.

- 3.8 Private Operator acknowledges that the Premises are in a good and satisfactory condition and, except for the express representations and warranties set forth in this Agreement, hereby expressly waives all representations and warranties on the part of Public Sponsor, whether express or implied, including without limitation, all warranties that the Premises are free from vices, defects or deficiencies, whether hidden or apparent, and waives all warranties under Louisiana Civil Code Articles 2692(1), 2693, 2694, 2695, 2697, 2699, 2700, 2701, 2702, and 2704 or any other provision of Louisiana law. Public Sponsor will have no obligation to make any repairs, replacements and/or reconstructions of any kind, ordinary or extraordinary, or to make any improvements or changes to the Premises, except as expressly set forth in this Agreement, during the Term of this Agreement.
- 3.9 Private Operator hereby further acknowledges and agrees that upon the Commencement Date it waives, releases and discharges any claim it has, might have had or may have against the Public Sponsor with respect to the condition of the Premises, including but not limited to either

patent or latent defects of any kind, including structural or roof defects, the actual or potential income or profits to be derived from the use of the Premises, the compliance with any environmental protection, pollution or land use laws, rules, regulations or requirements, and any other state of facts which exist with respect to the Premises, except for the representations and warranties set forth in this Agreement.

ARTICLE FOUR

USE OF THE PREMISES

- 4.1 Public Sponsor and Private Operator hereby agree that Private Operator shall at all times throughout the Term operate and use the Airport as a public airport facility and in accordance with all applicable local, state and federal laws, rules, and regulations, specifically including those promulgated by the FAA and LADOTD, and pursuant to the terms of this Agreement; and, Private Operator shall further operate the Airport in compliance with all requirements in effect imposed upon Public Sponsor by the FAA and/or LADOTD, including engaging in any or all purposes permitted pursuant to the aforementioned laws, rules, regulations and ordinances. Private Operator may also operate the Premises for other purposes permitted by U. S. and Louisiana law and the rules and regulations of the FAA, except as prohibited under the terms of this Agreement.
- 4.2 Private Operator shall have the right at all times throughout the Term to commercially develop the non-aeronautical areas of the Premises, subject to the terms and conditions set forth in this Agreement, all applicable federal, state and local laws, rules and regulations, and, as required, the approval of the FAA. Notwithstanding the foregoing, Private Operator shall not use, operate or develop the Premises, or permit the Premises to be used, operated or developed, or any portion thereof, throughout the Term, without obtaining the written consent of Public Sponsor which consent may be granted or denied in Public Sponsor's sole discretion, as a marina or to provide fuel for marina use or to berth a gaming barge or vessel or for a gaming facility (except such gaming facility as is allowed under Louisiana Revised Statutes 27:306 and similar laws in effect from time to time in connection with operation of bar and restaurant facilities); or for or as a Cemetery; Correctional Facility or Prison; Funeral Parlor or Mortuary; Fraternity or Sorority; Junk; Landfill; Sanitary (Solid Waste); Mineral Mining and Exploration; Off-Track Wagering Facility; Stable, Public; Tatoo Parlor; Teen Club; Trailer

Park or Trailer Court; Welfare Agency or Incinerator. The foregoing Prohibited Uses shall have the meanings, if any, set forth in the Comprehensive Zoning Ordinance of the City of New Orleans, Louisiana (the "Zoning Ordinance"), as in effect on the date of this Agreement or as amended hereafter; however, reference to the Zoning Ordinance in this Agreement shall not render any such Zoning Ordinance applicable to the Premises.

- 4.3 Private Operator is obligated not to use the Premises for any purpose prohibited under this Agreement or for any unlawful purpose or one that tends to materially injure or depreciate the Premises or reflects material discredit upon Public Sponsor. A violation of this provision of this Agreement shall constitute an Event of Default.
- 4.4 Private Operator, at all times throughout the Term, shall use and maintain the Premises and make all Airport facilities and services located on the Premises available for public use on fair and reasonable terms without unjust discrimination. Private Operator shall keep the Airport open for operations in accordance with all relevant FAA approvals and requirements, subject only to (i) scheduled maintenance; (ii) weather related maintenance; (iii) obstructions/restrictions as determined by the FAA pursuant to 14 C.F.R Parts 77 and 155; and (iv) emergencies or Unavoidable Delays. Private Operator shall in all events comply with all requirements of the FAA with respect to the Airport, including, to the extent applicable, 14 C.F.R. Part 139, and shall operate the Airport in accordance with the terms and conditions of this Agreement and in accordance with good and accepted practices at similarly sized airports in the United States.
- 4.5 Subject to the terms and conditions of this Agreement, and except to the extent that any of the following uses shall become inapplicable or outmoded with respect to a similarly sized airports in the U.S., and subject to climatic conditions, the uses of the Airport shall include, but shall not be limited to, at all times throughout the Term:
- i) storage, parking, maintenance, repair, servicing and fueling of aircraft in covered and open areas;
 - ii) sale of aviation fuel and storage of fuel for the fueling of aircraft consistent with the standards for FAR Part 91, 119, 121, 125 and Part 135 air carriers;
 - iii) storage, parking, maintenance, repair, servicing, and fueling of automotive vehicles, automotive equipment, and other equipment owned or operated by the Private Operator in connection with the operation of the Airport;

- iv) passenger terminal facilities and vehicle parking facilities, reasonably required for the accommodation of crews, travelers, and others arriving at or departing from the Airport by aircraft, and other Persons employed by, doing business with, or who are the guests of the Private Operator or any Subtenants;
- v) cargo facilities and related intermodal transportation facilities, reasonably required for the accommodation of aircraft arriving at or departing from the Airport and otherwise in connection with operations at the Airport;
- vi) control tower facilities and all navigational aids reasonably required or beneficial for the accommodation of aircraft arriving at or departing from the Airport and otherwise in connection with operations at the Airport; and,
- vii) operational and administrative offices in connection with the activities authorized hereunder.

4.6 Notwithstanding the above, in connection with the Premises, Private Operator shall not engage directly or indirectly, through subsidiaries and/or Affiliates, in any activities that are in violation of Louisiana or Federal law, the FAA Grant Agreements, LADOTD Grant Agreements, the Airport, FAA and LADOTD Assurances and the FAA Privatization Pilot Program, or any other activities that violate or constitute a breach of any Existing Agreement, e.g., leases of Public Sponsor with third parties in effect and enforceable on the Commencement Date.

4.7 Private Operator recognizes the obligation to and agrees (a) to provide safety and security at the Airport at the highest possible levels, (b) to comply with all reasonable requirements imposed by Public Sponsor with respect to the adverse effects (i) of noise and (ii) on the environment, from Airport operations, that are necessary to achieve the objective of mitigating the same to the same extent as at a public airport, as required under 49 U.S.C. § 47134(7) & (8), and (c) to not engage in any unfair and deceptive practices or unfair methods of competition within the meaning of 49 U.S.C. § 47134 (e). In connection with the foregoing, Private Operator shall comply with 14 C.F.R. Part 139, unless Public Sponsor and Private Operator agree that such compliance is not in the best interest of the Airport.

- 4.8 Private Operator shall upon receipt immediately provide to Public Sponsor a copy of formal communications from the FAA, including but not limited to all initial inquiries as to possible violations of the statutes/regulations/policies of the FAA, and all notices of initiating or relating to any investigations by the FAA or other regulatory authorities or bodies regarding or relating to the Airport or Airport operations. Private Operator shall brief Public Sponsor prior to any hearing or meeting regarding any such investigation and Public Sponsor reserves the right to attend the same and Private Operator consents to such attendance. In the event any proceeding or investigation could result in a loss of certification of the Airport, or the exemptions under 49 U.S.C. § 47134, except due to the fault of Public Sponsor, Public Sponsor shall have the right to direct the defense thereof with counsel of its choice, the reasonable cost of such defense to be at the expense of Private Operator; provided that such right to direct the defense shall be applicable only with respect to matters which arise and/or conditions which first occur following the Commencement Date. In the event of a finding of violation, payment of a civil penalty, execution of a settlement Agreement or other administrative action, Private Operator shall within 24 hours report the same to Public Sponsor and any plan of correction. Private Operator shall continue to report to Public Sponsor until compliance has been achieved, and shall hold forever harmless, indemnify and defend Public Sponsor from and shall be responsible for all fines and penalties imposed in connection therewith, provided that such indemnity and responsibility for fines and penalties shall not apply with respect to any matter existing prior to the Commencement Date or for any matter caused by the intentional or willful act(s) or failure(s) to act by Public Sponsor.

ARTICLE FIVE

RENT AND IMPOSITIONS

- 5.1 From and after the Commencement Date, during each Lease Year of the Term, Private Operator shall pay to Public Sponsor the Rent, as provided hereinbelow.
- 5.2 The Rent during the first, second and third Lease Years shall be the sum of THREE HUNDRED THOUSAND AND NO/100 (\$300,000) DOLLARS per annum.
- 5.3 The Rent during the first, second and third Lease Years shall be payable in four (4) equal quarterly payments, in advance, with the first quarterly payment due on the Commencement Date, and thereafter by no later than the first day of each quarter.

- 5.4 Commencing in the fourth Lease Year and annually thereafter, throughout the Term of this Lease, the Rent shall be the greater of (A) Three Hundred Thousand and no/100 (\$300,000) Dollars (the "Guaranteed Annual Rent"), or (B) a sum equal to (1) Eleven (11%) Percent of the annual Gross Income not in excess of Three Million and no/100 (\$3,000,000) Dollars (the "Gross Income Baseline"), plus (2) Thirty (30%) Percent of the annual Gross Income in excess of Three Million and no/100 (\$3,000,000) Dollars (the "Percentage Rent"). For example, if the Gross Income during the fourth Lease Year totals \$4,000,000, the Rent payable by Private Operator shall be \$630,000 (11% of \$3,000,000 = \$330,000, plus 30% of \$1,000,000 = \$300,000; \$330,000 + \$300,000 = \$630,000). The Guaranteed Annual Rent shall not be rent in addition to the Percentage Rent, but shall be a credit against any applicable Percentage Rent.
- 5.5 The Guaranteed Annual Rent and the Gross Income Baseline shall be Adjusted For Inflation commencing with the fifth Lease Year and each year thereafter during the remaining Term of this Agreement.
- 5.6 Commencing in the fourth Lease Year and thereafter throughout the term of this Agreement, the Guaranteed Annual Rent shall be payable in four (4) equal quarterly payments, in advance, and by no later than the first day of each quarter. The Percentage Rent, if any, commencing in the fourth Lease Year and thereafter throughout the term of this Lease, shall be determined with respect to Gross Income during the preceding Lease Year and paid annually within forty-five (45) days after the last day of each Lease Year.
- 5.7 As additional consideration for this Lease, Private Operator shall sublease to Public Sponsor all of the offices, board and conference rooms, buildings and other facilities in the Administration Building and in the Harbormaster Building located on the Leased Premises (as defined in ARTICLE THIRTY-FIVE) occupied and used by Public Sponsor on the Commencement Date on the terms and conditions more fully set forth in ARTICLE THIRTY-FIVE.
- 5.8 In addition to the Rent payable hereunder, Private Operator shall pay and discharge as and when due and payable the following (collectively, "Additional Rent"):
- a. "IMPOSITIONS" The term "Impositions" shall mean with respect to the Premises:
 1. All taxes, including generally, without limitation, all taxes imposed under the

laws of the State of Louisiana and ordinances of the City of New Orleans, as such laws and ordinances may be amended from time to time, which may be imposed upon Public Sponsor, the Premises, Private Operator, Private Operator's property or the business conducted upon the Premises, except for ad valorem real property taxes assessed at any time during the Term of this Agreement on the Premises or any existing Improvements restored after a casualty with insurance provided as required under this Agreement by Private Operator, but including any ad valorem real property taxes assessed on new Improvements and renovations of existing Improvements made on the Premises by Private Operator, Sublessees and any other Person authorized to make improvements on the Premises by Private Operator (herein referred to as "Leasehold Improvements").

2. All assessments for public improvements or benefit, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term.
3. All water, sewer or other charges, excises, tax levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Premises or the business conducted thereon by Private Operator, including all interest and penalties thereon due to any failure in payment by Private Operator, which at any time prior to, during or in respect of the Term hereof may be assessed or imposed on or in respect of or be a lien upon Public Sponsor's interest in the Premises, or the Premises or any part thereof or any rent therefrom or any estate, right, title or interest therein, or any occupancy operation, use or possession of, or sales from, or activity conducted on, or in connection with the Premises or the leasing or use of the Premises or any part thereof by Private Operator.
4. No ad valorem real property taxes are currently assessed against, or due and payable with respect to the Premises (herein referred to as "ad valorem real

property taxes"). Nothing contained herein shall be construed to require Private Operator to pay any ad valorem real property tax assessed on the Premises during the Term of this Agreement, except for ad valorem real property taxes assessed on Leasehold Improvements made on the Premises by Private Operator, Sublessees and any other Person authorized to make improvements on the Premises by Private Operator. Further, nothing contained herein shall be construed to require Private Operator to pay (i) any tax based on net income imposed on Public Sponsor, (ii) any net revenue tax of Public Sponsor, (iii) any transfer fee or other tax imposed with respect to the sale, exchange, financing, mortgaging, or other disposition by Public Sponsor of the Premises (or the proceeds thereof) other than in connection with the sale exchange or other disposition to, or in connection with a transaction involving Private Operator, or (iv) any single business, franchise fees, gross receipts, transaction privilege, rent or similar taxes as the same relate to or are imposed upon Public Sponsor. Public Sponsor shall give prompt notice to Private Operator of all Impositions payable by Private Operator hereunder of which Public Sponsor at any time has knowledge; provided, however, that Public Sponsor's failure to give any such notice shall in no way diminish Private Operator's obligation hereunder to pay such Impositions.

5. In the event that Public Sponsor sells, transfers, conveys or assigns the Premises or its interest in this Agreement, then such transferee shall be responsible for the payment of all ad valorem real property taxes, if any, assessed against the Premises, except for ad valorem real property taxes assessed on Leasehold Improvements made on the Premises by Private Operator, Sublessees or any other person authorized to make such improvements on the Premises by Private Operator.
- b. Private Operator shall pay, or cause to be paid, all Impositions before any fine, penalty, interest or cost may be added for non-payment, such payments to be made directly to the taxing authorities, and shall promptly furnish, after written request, to Public

Sponsor copies of official receipts or other satisfactory proof evidencing such payments. If any such Imposition may, at the option of the taxpayer, lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Private Operator may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments during the Term as the same become due and before any fine, penalty, premium, interest or cost may be added thereto. Private Operator shall prepare and file all tax returns and reports in respect of an Imposition as may be required by any Governmental Authority. Provided no Default in payment of Rent shall have occurred and be continuing, if any refund shall be due from any taxing authority in respect of any Imposition paid by Private Operator, the same shall be paid over to or retained by Private Operator. Public Sponsor and Private Operator shall, upon request of the other, provide such data as is maintained by the Party to whom the request is made with respect to the Premises as may be necessary to prepare any required returns and reports. In the event Governmental Authorities classify any property covered by this Agreement as personal property, Private Operator shall file all required personal property tax returns. Each Party shall, to the extent it possesses the same, provide the other, upon request, with cost and depreciation records necessary for filing returns for any property so classified as personal property. All Impositions assessed against such personal property shall be timely paid by Private Operator.

- c. If any ad valorem real property taxes are assessed against the Premises at any time during the Term of this Agreement, Public Sponsor may within 180 days of receiving such assessment, in its sole discretion, terminate and cancel this Agreement by giving at least 120 days notice to Private Operator of such termination. However, upon receiving such a notice, Private Operator may cancel such termination by agreeing to include such assessment as an Imposition. If any ad valorem real property taxes are assessed against Leasehold Improvements made by Private Operator at any time during the Term of this Agreement, Private Operator may within 180 days of receiving such assessment, in its sole discretion, terminate and cancel this Agreement by giving at

least 120 days notice to Public Sponsor of such termination. However, upon receiving such a notice, Public Sponsor may cancel such termination by agreeing to pay such ad valorem taxes assessed on said Leasehold Improvements.

- d. Private Operator shall pay or cause to be paid all charges for electricity, power, gas, oil, water, sewerage and all other utilities used in connection with the Premises throughout the Term of this Agreement.
 - e. Private Operator shall pay or cause to be paid all premiums for the insurance coverage required to be maintained pursuant to ARTICLES TWELVE and THIRTEEN throughout the Term of this Agreement.
 - f. Private operator shall pay or cause to be paid all operating expenses related to the operation of the Premises throughout the Term of this Agreement.
- 5.9 All sums payable to Public Sponsor by Private Operator under this Agreement shall be paid to Public Sponsor in legal tender of the United States. Rent shall be payable without demand and without deduction or set-off for any reason, except as provided in ARTICLE THIRTY-NINE, Section 39.7. Public Sponsor's acceptance of Rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any rights.
- 5.10 Private Operator shall have the right to contest the amount or validity of any Imposition, lien, attachment, levy, encumbrance, charge or claim (collectively "Claim") as to the Premises or any leased property by appropriate legal proceedings, conducted in good faith and with due diligence, provided that (a) the foregoing shall in no way be construed as relieving, modifying or extending Private Operator's obligation to pay any Claims as finally determined, (b) such contest shall not cause Public Sponsor or Private Operator to be in default under any mortgage or deed of trust encumbering the Premises or any interest therein or result in or reasonably be expected to result in a lien attaching to the Premises, (c) no part of the Premises nor any Rent therefrom shall be in any immediate danger of sale, forfeiture, attachment or loss, and (d) Private Operator shall defend, indemnify and hold harmless Public Sponsor from and against any cost, liability, claim, damage, penalty or reasonable expense, including all attorney fees, incurred by Public Sponsor in connection therewith or as a result thereof, and, upon Public Sponsor's written request, Private Operator shall (i) provide evidence reasonably satisfactory

to Public Sponsor that all Claims which be assessed against the Premises, together with all interest and penalties thereon will be paid, or (ii) deposit within the time otherwise required for payment with a Depositary, as trustee, as security for the payment of such Claims, an amount sufficient to pay the same, together with interest and penalties in connection therewith and all Claims which may be assessed against or become a Claim on the Premises, or any part thereof, in connection with any such contest. Private Operator shall furnish Public Sponsor with proof of such deposit.

- 5.11 If Private Operator should fail to pay any installment of Rent, within ten (10) days after the same becomes due and payable, Private Operator shall be obligated to pay a late charge equal to two and one-half (2.5%) percent of any such Rent. In addition, any installment of Rent to be paid by Private Operator pursuant to this Agreement, which is not paid by Private Operator within ten (10) days after the same becomes due and payable, shall bear interest at a rate equal to two (2) percentage points above the then applicable Prime Rate, accruing ten (10) days after the date such installment or payment became due, and shall be payable to the date of payment thereof by Private Operator. Such interest shall constitute Additional Rent due and payable to Public Sponsor by Private Operator upon the date of payment of the delinquent rental payment referenced above.
- 5.12 All payments to be made by Private Operator to Public Sponsor under this Agreement shall be deemed to be Rent hereunder, whether or not the same be designated as such, and shall be due and payable in accordance with the foregoing provisions, and Public Sponsor shall have the same remedies for failure to pay these payments as for any non-payment of Rent. Public Sponsor, at its election, shall have the right to pay or do any act that requires the expenditure of any sums of money by reason of the failure or neglect of Private Operator to perform any of the provisions of this Agreement, and in the event Public Sponsor shall at its election pay such sums or do such acts requiring the expenditure of moneys, Private Operator agrees to pay Public Sponsor, upon written demand, all such sums, and the sums so paid by Public Sponsor, together with interest thereon, if applicable, at the rate specified hereinabove, shall be deemed Additional Rent.
- 5.13 All payments of Rent to be made to the Public Sponsor under this Agreement shall be made to Suite 202, Administration Building, 6001 Stars & Stripes Boulevard, New Orleans

Louisiana 70126-8006, Attention: Executive Director, or as Public Sponsor may from time to time otherwise designated by notice to Private Operator.

ARTICLE SIX

RIGHT OF FIRST REFUSAL TO PURCHASE

6.1 Public Sponsor grants, for and in consideration of the mutual covenants and benefits contained herein, Private Operator, subject to the terms and conditions hereinafter set forth, the exclusive right of first refusal to purchase the hereinabove described Premises (for purposes of this Article, the "Property"):

1. Public Sponsor expressly agrees that it shall not sell the Property to any other Person unless it has first offered to sell the Property to Private Operator on the same terms and conditions offered by any other Person acceptable to Public Sponsor, or offered by Public Sponsor to any other Person during the Term of this Agreement (the "First Offer").
2. In the event that Public Sponsor desires to sell the Property it shall give Private Operator written notice of its desire to sell the Property and of the terms and conditions for the sale of the Property, along with a copy of any proposed written Agreement in connection therewith, and Private Operator shall have sixty (60) days after receipt of said written notice to exercise its right of first refusal to purchase the Property by giving written notice thereof to Public Sponsor, which written notice will be considered timely if received by Public Sponsor prior to the expiration of said sixty (60) day period.
3. This right of first refusal shall remain in full force and effect during the Term of this Agreement. The right of first refusal granted hereunder may not be assigned by Private Operator, except to an Affiliate of Private Operator in connection with a sale of the property by Public Sponsor to said Affiliate of Private Operator pursuant to the terms of this ARTICLE SIX.
4. In the event Private Operator duly and timely exercises this right of first refusal, the act of sale of the Property shall be passed before Private Operator's Notary in accordance with the terms and conditions of the First Offer.

5. Time is of the essence of this right of first refusal, and all rights and claims of Private Operator hereunder shall cease and terminate if the right granted hereunder is not timely exercised and a sale is closed pursuant to the First Offer.
6. In the event Private Operator duly and timely exercises this right of first refusal, Public Sponsor shall tender and deliver to Private Operator merchantable title to the property, free and clear of all liens, mortgages and encumbrances, and with full subrogation and substitution in and to all rights of Public Sponsor thereto, but without any warranty as to the fitness or condition of the Property, unless Public Sponsor had agreed to such warranty in connection with the First Offer.
7. It is expressly agreed that Private Operator may only exercise the right granted hereunder if it is not in Default under the terms and conditions of this Agreement.
8. It is expressly agreed that a sale pursuant to this ARTICLE may only be consummated after approval by the Secretary (as defined therein) as required under 49 U.S.C. § 47134.

ARTICLE SEVEN

CAPITAL IMPROVEMENTS, INVESTMENTS,

ALTERATIONS AND ADDITIONS

- 7.1 Private Operator shall during the Term of this Agreement prepare and file with the FAA a Capital Improvements Plan ("CIP") no less frequently than five (5) years from the previously submitted CIP, and promptly thereafter deliver to Public Sponsor a copy of each such CIP. Prior to the Commencement Date, as part of the Application to the FAA, Private Operator submitted a proposed CIP to the FAA and received FAA approval of such CIP, a copy of which is attached hereto as **Exhibit "E."** The CIP required to be filed by Private Operator during the term of this Lease shall be filed by no later than ninety (90) days prior to the expiration of such five (5) year filing periods. No CIP shall be adopted and implemented by Private Operator, unless and until Private Operator shall have obtained Public Sponsor's written approval, which approval shall not be unreasonably withheld, conditioned or unduly delayed; provided further that if Public Sponsor does not take action on a written request for such approval within ninety (90) days of receipt of said written request by granting or denying approval, then approval shall be deemed given by Public Sponsor. Any written request for

approval of a CIP by Private Operator shall include notice to Public Sponsor that approval will be deemed given unless action is taken on said written request within the time period provided in this Article. If an amended CIP is submitted by Private Operator and approved by Public Sponsor at any time during the Term, Private Operator shall not be required to file another CIP until the expiration of five (5) years after the date of the approval of said amended CIP.

7.2 The CIP submitted and approved as part of the Application to the FAA represents a proposed aggregate expenditure of \$91,097,940 over a fifteen (15) year investment period of which not less than \$56,436,270 Private Operator anticipates receiving in the form of airport aid from or subject to the approval of Governmental Authorities. The \$56,436,270 of the CIP expected to be provided as airport aid from Governmental Authorities includes \$27,000,000 of funds being dedicated to the repair and reconstruction of the Steel Sheet Pile Bulkhead on the northeast and east side of the Airport. It is the desire of both Public Sponsor and Private Operator that this Bulkhead project will have airport aid committed to it prior to the Effective Date with the FAA funding 90% and the State of Louisiana funding the other 10%. Private Operator shall be responsible for funding the remaining capital contribution of not more than \$34,661,670; provided, however, that Private Operator's obligation to fund shall be contingent in all cases upon (i) the receipt over the scheduled fifteen (15) year investment period of airport aid from Governmental Authorities projected on the CIP and (ii) two or more of the following three factors as determined from time to time by Private Operator:

- (a) realization of passenger and cargo throughput levels, revenues and costs and other business planning targets of Private Operator;
- (b) the binding commitment of third parties to develop related facilities (where appropriate); and,
- (c) operation necessities for the continued operation of the Airport at least in accordance with good and accepted practices for similarly sized airports in the U.S.

The Private Operator's share of the initial CIP will be funded or provided through passenger facility charges(PFCs), Airport revenues, debt or equity and other private sources. If any airport aid and/or passenger facility charges are not forthcoming in the amounts projected over the scheduled fifteen (15) year investment period, Private Operator shall evaluate capital

requirements on the basis of reasonable commercial viability and funding availability. Following such fifteen (15) year investment period and subject to receipt of anticipated airport aid, Private Operator shall use reasonable efforts to continue investment at the Premises at a rate appropriate to develop the Airport to the degree necessary to satisfy demand for the forecast rates of activity and to operate in accordance with good and accepted practices for similarly sized airports in the U.S.

- 7.3 Private Operator shall diligently, and subject to receipt of the airport aid referenced herein, use reasonable efforts to (i) implement the approved CIP, and (ii) continue such implementation until such time as Public Sponsor and the FAA shall approve the next proposed CIP for the Airport prepared by Private Operator. Notwithstanding the foregoing, and subject to FAA approval, if required, Private Operator may (1) alter the CIP during any five (5) year filing period by making changes to the phasing of individual projects in the CIP and (ii) may cease implementation of individual projects that are no longer viable or feasible.
- 7.4 Any CIP shall include, but not be limited to, a listing of all planned capital improvements and/or purchases for the Airport, both air side and non-air side; a projection of the total and annual cost of each project; evaluation of the availability of funds for each project from Private Operator, other private sources, and federal and state funds; and, shall include an evaluation of the effect of any project on Airport operations for projects not identified on the then current Airport Master Plan.
- 7.5 Private Operator shall lead all efforts, at its sole cost, to obtain funds from the FAA, LADOTD and other governmental agencies and to pay for the local share costs of all improvements included in the CIP. Public Sponsor shall use its Best Efforts to diligently assist Private Operator in such efforts. Notwithstanding anything to the contrary contained herein, the parties hereto expressly acknowledge and agree that Public Sponsor shall in no event be responsible to pay for any portion of the cost of any capital improvements made and constructed during the term of this Agreement.
- 7.6 Private Operator covenants and agrees that following any consecutive twelve month period during which the Airport has averaged one thousand three hundred eighty (1,380) daily enplaned passengers, Private Operator will diligently proceed with the acquisition of and approval for funds required to construct a new terminal facility having a minimum size of forty

thousand (40,000) square feet of terminal and passenger handling space, and shall proceed diligently with the construction thereof upon such approval and receipt of the funds. In the event that airport aid and/or passenger facility charges are not approved by the FAA, Private Operator will develop and provide an alternate plan to finance said terminal facility with Private Operator identifying alternate sources of funding and a revised schedule for completing the same. Additionally, immediately following any consecutive twelve month period wherein the Airport has averaged 360 daily passengers sustained over a three month period, Private Operator agrees to complete the installation of two passenger loading bridges for the existing terminal.

- 7.7 Capital improvements consistent with the approved CIP shall not require additional approval of Public Sponsor. Except as set forth hereinafter, other capital improvements shall require Public Sponsor's consent which shall not be unreasonably withheld, conditioned or delayed; provided further that if Public Sponsor does not take action on a written request for such approval within sixty (60) days of receipt of said written request by granting or denying approval, then approval shall be deemed given by Public Sponsor. Any written request for such approval by Private Operator shall include notice to Public Sponsor that approval will be deemed given unless action is taken on said written request within the time period provided in this ARTICLE.
- 7.8 All capital improvements shall be made with diligence and in a good and workmanlike manner and in compliance with all applicable building codes and the applicable provisions of this Agreement.
- 7.9 No construction of any capital improvement shall be commenced until Private Operator shall have delivered to Public Sponsor certificates of insurance issued by insurers reasonably acceptable to Public Sponsor for the insurance required under this Agreement along with a copy of said insurance policies. If, under the provisions of any casualty, liability or other insurance policy or policies then covering the Premises or any part thereof, any consent to such capital improvement by the insurance company or companies issuing such policy or policies shall be required to continue and keep such policy or policies in full force and effect, Private Operator, prior to the commencement of construction of such capital improvement, shall

obtain such consents, deliver copies of such consents to Public Sponsor, and pay any additional premiums or charges therefor that may be imposed by said insurance company or companies.

- 7.10 All capital improvements customarily carried out under the supervision of an Architect and/or Engineer shall be carried out under the supervision of an Architect and/or Engineer. Promptly following the completion of any capital improvement, Private Operator shall furnish to Public Sponsor: (i) a copy of any Certificate(s) of Occupancy for the capital improvements; (ii) a complete set of “as built” plans for the capital improvements, prepared and certified to be complete and corrected by the Architect and/or Engineer (if any), with respect to any capital improvements for which as-builts are customarily prepared; (iii) a certificate of the Architect and/or Engineer (if any) certifying to Public Sponsor that the capital improvement has been completed in accordance with any approved plans and specifications for such capital improvement, the permits required to be obtained for the construction and completion of such capital improvement, and all other applicable requirements; (iv) if the capital improvement involves a material change in the exterior footprint of an Improvement or a new or changed easement or paved area, a survey in accordance with the standards adopted by American Land Title Association (ALTA), prepared and sealed by a surveyor showing such Improvement or easement, certified by such surveyor to Private Operator, Public Sponsor, each Mortgagee, if any, and to any title company that shall have insured or committed to insure the Premises, and bearing the certification of such surveyor that all of the improvements are within the property lines of the Premises and do not encroach upon any easement or violate any restriction of record; and, (v) promptly provide lien waivers, in a form reasonably satisfactory to Public Sponsor, issued by the general contractor with respect to services performed and materials provided in connection with the construction of the Improvements, or a clean lien and privilege certificate issued by the Recorder of Mortgages for the Parish of Orleans. If a temporary Certificate of Occupancy shall have been obtained, Private Operator shall renew such temporary Certificates of Occupancy on a timely basis so that it does not lapse prior to obtaining a permanent Certificate of Occupancy and shall diligently seek to obtain such permanent Certificate of Occupancy.
- 7.11 Prior to the commencement of construction, Private Operator shall provide, or cause to be provided, and thereafter shall keep in full force and effect, or cause to be kept in full force and

effect, with respect to the Premises, until the date on which Private Operator shall have completed construction of any capital improvements, insurance as will protect the contractor from claims arising out of any contractor's operations and for which any contractor may be legally liable, whether such operations be by a contractor or subcontractor, etc., including workman's compensation and disability claims, claims for damages because of bodily injury, occupational sickness or disease, or death of any contractor's employees, claims for damages because of bodily injury or death of any other Person, claims insured by standard comprehensive public liability policies, claims for damages to or destruction of tangible property, including loss of use, claims for damages because of bodily injury or death arising out of ownership, maintenance or use of motor vehicles and claims involving contractual liability insurance applicable to any contractor's obligations. The insurance required shall include, premises-operations, independent contractors, products and completed operations, and contractual liability insurance on a "blanket basis" designating all written contracts, all including broad form property damage coverage. The foregoing policies shall contain a provision that coverages will not be cancelled or not renewed until at least sixty (60) days prior written notice has been given to Private Operator and Public Sponsor, and Public Sponsor shall be named an additional insured on said policies.

- 7.12 Private Operator shall require contractors to provide payment and performance bonds for all capital improvements costing in excess of \$1,500,000.00, Adjusted For Inflation. Private Operator shall require contractors to name Private Operator, Public Sponsor and any mortgagee, if any, as obligees, and shall deliver copies of such bonds to Public Sponsor promptly upon obtaining them.
- 7.13 If a capital improvement is estimated to cost in excess of One Million Five Hundred Thousand Dollars (\$1,500,000), annually Adjusted For Inflation, Private Operator shall deliver to Public Sponsor at least ten (10) days prior to the commencement of construction, an assignment to Public Sponsor, of the construction Agreement(s), any plans and specifications and the bonds or other security provided thereunder, if any, such assignment to be duly executed and acknowledged by Private Operator and consented to by the contractors and by its terms to be effective upon any termination of this Agreement or upon Public Sponsor's re-entry upon the Premises following an Event of Default prior to the complete performance of such contract,

- such assignment also to include the benefit of all payments made on account of said contract, including payments made prior to the effective date of such assignment.
- 7.14 The materials to be incorporated in any capital improvement at any time during the Term shall, upon purchase of such materials and at all times thereafter, constitute the property of Private Operator, and upon construction of any capital improvement or the incorporation of such materials therein, title thereto shall vest in Private Operator, provided, however, that at the expiration or earlier termination of the Term, title to such materials and capital improvements shall vest without payment of compensation in Public Sponsor.
- 7.15 Private Operator shall pay Public Sponsor or cause Public Sponsor to be paid for all reasonable out-of-pocket costs and expenses reasonably incurred by Public Sponsor, up to a maximum amount of one half of one percent of the cost of any capital improvement, for reviewing, approving or otherwise taking action with respect to any capital improvement, in accordance with the provisions of this Agreement, including, without limiting the foregoing, all reasonable costs and expenses of reviewing environmental assessments, environmental assessment forms and environmental impact statements, and all reasonable costs and expenses of legal counsel.
- 7.16 During the Term of this Agreement Private Operator shall not demolish or materially alter or change the Improvements located on the Premises on the Commencement Date, or any part thereof, or make any material alteration or addition thereto, without the consent of Public Sponsor, which consent shall not be unreasonably withheld, conditioned or delayed, unless such demolition is required by law. Renovations and/or improvements of existing buildings and Improvements that do not materially alter or change the use of that which is renovated and/or improved will not require Public Sponsor's approval.
- 7.17 Prior to the last ten (10) years of the Term, provided no Event of Default exists and is then continuing, Private Operator shall not demolish any Improvement it has constructed at the Premises without the written consent of Public Sponsor, which consent shall not be unreasonably withheld, conditioned or delayed. During the last ten (10) years of the Term, Private Operator shall not demolish any Improvement Private Operator has constructed on the Premises having a value in excess of Two Hundred Thousand Dollars (\$200,000), Adjusted For Inflation, without the prior express written consent of Public Sponsor.

- 7.18 Private Operator and other users shall not make or permit to be made any capital investments in or with respect to the Premises without Public Sponsor's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed, except as provided hereinbelow in ARTICLE SEVEN, Section 7.19, provided further that if Public Sponsor does not take action on a written request for such approval within sixty (60) days of receipt of said written request by granting or denying approval, then approval shall be deemed given by Public Sponsor. Any written request for such approval by Private Operator shall include notice to Public Sponsor that approval will be deemed given unless action is taken on said written request within the time period provided in this ARTICLE. Public Sponsor's approval of a CIP pursuant to this Agreement includes an approval of the capital investments to be made as part of that CIP.
- 7.19 If the Amortization Period (as defined hereinbelow) of any capital investment in or with respect to the Premises shall expire subsequent to the stated Scheduled Expiration Date of this Agreement, Private Operator and other users shall not make or permit to be made any such capital investment without the prior written consent of Public Sponsor, which consent may be granted or denied in the sole and absolute discretion of Public Sponsor. However, if Private Operator agrees to reduce the Amortization Period to a term ending on the Scheduled Expiration Date, then Public Sponsor's consent may not be unreasonably withheld conditioned or delayed, provided further that if Public Sponsor does not take action on a written request for such approval within sixty (60) days of receipt of said written request by granting or denying approval, then approval shall be deemed given by Public Sponsor. Any written request for such approval by Private Operator shall include notice to Public Sponsor that approval will be deemed given unless action is taken on said written request within the time period provided in this Article.
- 7.20 Upon the Scheduled Expiration Date or earlier termination of this Agreement, other than an early termination resulting from (1) a Default by Private Operator pursuant to ARTICLE TWENTY-SIX, (2) as a result of a governmental taking for a public use of any interest in all or part of the Premises regulated under the provisions of ARTICLE TWENTY-SEVEN, or (3) a termination under ARTICLE TWO, Sections 2.5, 2.6 and/or 2.7, Public Sponsor and Private Operator shall, within ninety (90) days after such termination or expiration, mutually

agree upon a schedule pursuant to which Public Sponsor shall pay to Private Operator any Unamortized Capital Investment (defined hereinbelow) made by Private Operator with the consent of Public Sponsor as required under ARTICLE SEVEN, Sections 7.18 and/or 7.19. In the event that the agreed repayment schedule exceeds one (1) year, then Public Sponsor shall pay the Unamortized Capital Investment with interest thereon at the Prime Rate, plus two (2%) per cent, per annum, amortized over a period not to exceed five (5) years, less in all events any and all monies due and owing by Private Operator to Public Sponsor. The Unamortized Capital Investment to be determined as follows:

- a. The Unamortized Capital Investment of Improvements shall be determined by multiplying the total capitalized cost of each such investment by a fraction, the numerator of which shall be the number of whole calendar months between the date of expiration or earlier termination of this Agreement and the end of the amortization period of each such Improvement, as hereinafter set forth, and the denominator of which shall be the total amortization period of such Improvement.
- b. Except as may otherwise be agreed to by the Parties prior to the commencement of construction or acquisition, the amortization period with respect to each such new Improvement, which shall commence as of the date of the certificate of occupancy shall be computed in whole calendar months, and shall be (a) the useful life of the new Improvement as determined under Accounting Principles consistently applied, or (b) two hundred forty (240) months, whichever is the greater number (the "Amortization Period").

The parties agree that in no event shall Public Sponsor be responsible to make any payments for Unamortized Capital Investments to Private Operator, pursuant to this ARTICLE SEVEN, Section 7.20, for any amount of any Unamortized Capital Investment paid in whole, or in part, with Federal, State, or local grant funds or aid or with funds provided by any Person other than Private Operator, Private Operator's lenders and/or equity participants in any capital investments on the Leased Premises.

- 7.21 For the purposes of this Agreement and to the extent permitted by Accounting Principles, the capital investment of Private Operator for each Improvement constructed by Private Operator shall be the sum of the following items:

- a. All payments to contractors and suppliers of material, engaged or retained by Private Operator or other users for the actual construction of the work including site preparation and bringing utilities to the site (i.e. "Hard" costs);
- b. All payments to developers, brokers, attorneys, architects, engineers, insurance companies, consultants, inspectors, bonding companies, Governmental Authorities, taxing authorities, lenders (to the extent of finance charges and interest charges) and to others connected with the work (i.e. "Soft" costs); and,
- c. The acquisition cost of Equipment installed in such new Improvement as determined from vendors invoices.

ARTICLE EIGHT

MAINTENANCE, REPAIR AND CARE OF LEASED PROPERTY

8. 1 The Premises are accepted by Private Operator in their condition as of the Commencement Date, and Public Sponsor shall not be responsible throughout the Term of this Agreement for any maintenance, repairs and/or replacements of the Premises, except for such maintenance, repairs and replacements required under the express provisions of this Agreement to be made by Public Sponsor. Private Operator assumes, throughout the Term of this Agreement, the responsibility for, and shall maintain and repair, and make any necessary replacements to, the Premises, in accordance with, in all material respects, any applicable FAA requirements, except for (i) extraordinary maintenance and repair of the Bulkhead bordering Lake Pontchartrain on the Airport; (ii) repairs of and/or replacements to the roadbed and the utilities, lighting, drainage, sewerage facilities and storm water facilities of the access road to the Airport, Stars & Stripes Boulevard (the roadbed and referenced facilities are collectively hereinafter referred to as the "Stars & Stripes Boulevard Facilities"); and, (iii) repairs of and/or replacements to Parking Lots No. 1 & 2, as shown on Orleans Levee District Plan No. PA01-37, dated September 28, 2001, a copy of which is attached hereto as **Exhibit "F"** (the "Parking Lots").
- The obligations of the Parties for the maintenance, repair and replacement of the Bulkhead bordering Lake Pontchartrain on the Airport are set forth in ARTICLE THIRTY-SIX of this Agreement. The obligations of the Parties for the maintenance, repair and replacement of the Stars & Stripes Boulevard Facilities and the Parking Lots are set forth in ARTICLE THIRTY-SEVEN of this Agreement.

8.2 Public Sponsor shall not be responsible for any repairs of any kind to the Premises and to the Improvements located thereon on the Commencement Date or in the future during the Term, all of which shall be made by and at the expense of Private Operator, with the exception of repairs to the Stars & Stripes Boulevard Facilities and to the Parking Lots. Except as provided in ARTICLE THIRTY-SIX and in ARTICLE THIRTY-SEVEN, Private Operator shall throughout the Term maintain the Premises and Improvements located thereon on the Commencement Date or in the future in good condition, and shall make at its own expense all repairs and replacements of any kind whatsoever, and however caused, whether ordinary or extraordinary, foreseen or unforeseen, including but not limited to repairs to the interiors, exteriors, roofs and structural elements of the Improvements on the Premises. Private Operator agrees that all repairs made to the Premises shall be made in compliance with all applicable provisions of the Building Code of the City of New Orleans and pursuant to issuance of any necessary permits by the Department of Safety and Permits of the City of New Orleans. In the event Private Operator fails to commence the required repairs herein, as considered by Public Sponsor to be reasonably necessary, within a reasonable time, but not later than sixty (60) days after receipt of written notification from Public Sponsor of such condition, and said repairs are not completed within a reasonable time, but not later than ninety (90) days of such written notice, unless said repairs cannot be reasonably completed within ninety (90) days and as long as Private Operator has commenced repairs and continues to pursue to completion, then Public Sponsor shall have the option to either cause the repairs to be made at Private Operator's expense or as provided herein to terminate this Agreement. Notwithstanding the foregoing, if any damage is not fully covered by insurance and is caused by any natural disaster, then Private Operator shall not be in default of its obligations hereunder as long as Private Operator has applied for funding from the Federal Emergency Management Agency (or such similar agency as may exist from time to time) and continues to diligently pursue receipt of such funds.

8.3 In the event there is any vice or defect in the Premises, or any maintenance or repair that is required of such a nature that Person or property may be injured or damaged as a result thereof, it shall be the obligation of Private Operator to advise Public Sponsor of such vice or defect; in said notice, Private Operator shall advise Public Sponsor of what steps are being

taken to effect the repair therefor. Public Sponsor shall have no responsibility of any nature or kind whatsoever, as recited herein, for injuries to Persons or damage to property arising from any vice or defect in the Premises.

- 8.4 Private Operator shall keep the Premises clean, neat, attractive, safe, and sanitary, and shall keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances all runways, taxiways, aprons, roads, sidewalks, grounds, plazas, common areas, public lavatories, passageways, streets and/or roadways and parking facilities on the Premises, and shall keep same free of any hazard to the public, Private Operator's guests, employees, patrons, suppliers of materials and furnishers of services in keeping with good operational practice and in accordance with all Federal, State, and local laws and ordinances, including but not limited to the Americans with Disabilities Act of 1990, as amended, and the Federal Aviation Regulations, Parts 139 and 49 C.F.R. Part 1542/1540 (14 C.F.R. Part 139, titled "Certification and Operations: Land Airports Serving Certain Air Carriers" and 49 C.F.R. Part 1542/1540), titled "Airport Security" (alternatively "FAR 139" and "49 C.F.R. Part 1542/1540"). Private Operator shall reimburse Public Sponsor for fines levied against Public Sponsor by the Federal Aviation Administration as a result of violation(s) of 49 C.F.R. Part 1542/1540 and/or FAR 139 due to any act or failure to act by Private Operator. Private Operator only will be responsible for those acts or failures to prevent certain acts in violation of 49 C.F.R. Part 1542/1540 and/or FAR 139 which are attributable to its rights and use of Public Sponsor's properties under Private Operator's control bestowed by virtue of this Agreement. In connection therewith Private Operator shall in all events comply with the requirements of 14 C.F.R. Part 139. Private Operator hereby agrees to use its Best Efforts to maintain proper decorum by all Private Operator's employees or agents while conducting business at the Premises, and at all of Public Sponsor's facilities on the Premises. Private Operator shall maintain and provide or cause to be maintained and provided storm and flood protection for the buildings and facilities located on the Premises, to the extent that such protection is being provided on the date of this Agreement, e.g. storm shutters, etc. Private Operator shall surrender the Premises upon expiration or earlier termination of the Term of this Agreement in the same condition as exists on the Commencement Date, except as repaired, rebuilt,

restored, altered or added to pursuant to the provisions hereof, reasonable wear and tear excepted.

8.5 Public Sponsor, during the progress of any work described in ARTICLE EIGHT, Section 8.2, at no cost to Public Sponsor, shall have all necessary easement and access rights and may keep and store at the Premises all necessary materials, tools, supplies, equipment, sheds, mobile trailers and other vehicles, in a reasonably neat and orderly fashion and in a location on the Premises designated by Private Operator so as to not unreasonably interfere with Private Operator's conduct of business at the Premises. Public Sponsor shall not be liable for inconvenience, annoyance disturbance, loss of business or other damage of Private Operator, any Subtenant or other occupant of the Premises by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies, equipment, sheds, mobile trailers and other vehicles onto the Premises during the course thereof and the obligations of Private Operator under this Agreement shall not be affected thereby. To the extent that Public Sponsor undertakes work or repairs under this Article or any other provision of this Agreement, such work or repairs shall be commenced and completed in a timely manner and in a good and workmanlike manner and in such a manner as not to unreasonably interfere with the conduct of business in or use of such space to the extent reasonably possible without incurring any additional cost.

8.6 Notwithstanding anything to the contrary contained in this Agreement, in the event of any repairs and/or replacements and/or construction made by the Private Operator on the Leased Premises that would affect the flood protection systems on or adjacent to the Leased Premises, including the flood wall and drainage system on the Leased Premises, Private Operator shall be required to obtain the written approval of the Public Sponsor, which may be granted or denied in the sole discretion of Public Sponsor, and if such repairs and/or replacements and/or construction shall be approved by Public Sponsor, Private Operator shall be responsible for any costs associated with the repair and/or reconstruction of said flood protection systems.

ARTICLE NINE

ADDITIONAL OBLIGATIONS OF PRIVATE OPERATOR

9.1 In the performance of Private Operator's obligations hereunder and in the operation and use of the Premises, all operations shall be conducted in an orderly and proper manner and in

accordance with all applicable Federal, State and local laws, rules, regulations, the FAA Agreements, FAA and State Assurances, the Master Plan, as amended, and the terms and conditions this Agreement.

- 9.2 Private Operator shall prepare and submit to Public Sponsor no later than sixty (60) days prior to the end of each Lease Year, a written Airport Economic Development and Marketing Plan (“AEDMP”) for the following five (5) years, provided that the initial AEDMP shall be submitted to Public Sponsor no later than thirty (30) days after the Commencement Date. Any such AEDMP shall include, but not be limited to, preparation and production of marketing materials, and travel and miscellaneous expenses associated with marketing the Airport.
- 9.3 Private Operator agrees that, to the extent necessary to maintain the exemptions granted by the FAA under 49 U.S.C. § 47134 and the rules and regulations promulgated thereunder:
- (i) the Airport will continue to be available for public use on reasonable terms and conditions and without unjust discrimination;
 - (ii) the operation of the Airport will not be interrupted in the event that Private Operator becomes insolvent or seeks or becomes subject to any Federal bankruptcy, reorganization, insolvency, liquidation or dissolution proceedings, or any petition or similar request seeking the dissolution or reorganization of Private Operator or the appointment of a receiver, trustee, custodian, or liquidator for Private Operator or a substantial part of Private Operator or its property, assets or business;
 - (iii) Private Operator will maintain, improve and modernize the facilities of the Airport through capital investments and will submit to the FAA a plan for carrying out such maintenance, improvement and modernization;
 - (iv) Private Operator shall meet the requirements, when and if appropriate, of 49 U.S.C. § 47134(c)(4) and (5) as to increases in the fees of the Airport imposed on an air carrier or on general aviation;
 - (v) safety and security at the Airport will be maintained at the highest possible levels;
 - (vi) the adverse effects of noise from operations at the Airport will be mitigated to the same extent as at a public airport;
 - (vii) any adverse effects on the environment from Airport operations will be mitigated to the same extent as at a public operated airport;

- (viii) any collective bargaining Agreement covering employees of Public Sponsor at the Premises in effect on the Commencement Date will not be abrogated by Private Operator; and,
 - (ix) Private Operator shall insure that the interests of general aviation users of the Airport are not adversely affected pursuant to 49 U.S.C. §47134(f).
- 9.4 Private Operator hereby confirms its acceptance of the FAA Agreements, including the Assurances contained therein, and as set forth on **Exhibit "G."**
- 9.5 Public Sponsor and Private Operator expressly agree that the FAA Agreements and the Assurances required for the granting by the FAA of exemptions under said § 47134 create third-party beneficiary rights of the Secretary and the FAA in this Agreement and with respect to the Airport enforceable by the Secretary and the FAA in administrative or judicial legal proceedings. Notwithstanding any other provision of this Agreement, and in accordance with the statutory objectives of said § 47134 and the regulations promulgated under § 47134, the Secretary and the FAA are hereby granted all right, title, and interest in, to and under this Agreement as third party beneficiaries of all of Private Operator's obligations under this Agreement, the FAA Agreements, and each of the express obligations of Private Operator to the Secretary and the FAA set forth in this Agreement, in order to ensure that the statutory objectives of said § 47134 are met.
- 9.6 Private Operator acknowledges that the continuous, uninterrupted, safe operation of the Airport is important to the health, safety and welfare of the public and other users of the Airport, and that if Public Sponsor with the concurrence of the FAA, or the FAA in its sole and absolute discretion, determines that any condition exists which threatens such continuous, uninterrupted, safe operation of the Airport, then Public Sponsor and/or the FAA, as Governmental Authorities exercising their police or regulatory powers, are authorized to take any action necessary to assure the continuous, uninterrupted, safe operation of the Airport, including, the exercise of Public Sponsor's rights upon Default under the terms of this Agreement; provided that Public Sponsor's entry onto the Premises, if necessary, pursuant to the exercise of its rights under this Article, will not cause a termination of this Agreement, unless there exists an Event of Default, or any Subleases and will not disturb any Subtenants by reason of such entry.

ARTICLE TEN

SERVICES BY PRIVATE OPERATOR

AND RIGHTS RESERVED BY PUBLIC SPONSOR

- 10.1 Private Operator hereby agrees that throughout the Term it shall operate the Airport as a public airport, as set forth herein, and perform all work and furnish all services and equipment required for such operation as described in this Agreement.
- 10.2 Private Operator agrees that it will keep the Airport open for operations twenty four (24) hours per day, seven (7) days per week, three-hundred sixty-five (365) days per year, subject only to forces beyond its control, and/or governmental restrictions, provided the same shall be limited to: (1) scheduled maintenance (provided Public Sponsor is notified thereof in writing before any maintenance affecting operations is to be performed); (2) weather related maintenance; and, (3) obstructions/restrictions as determined by the FAA pursuant to 14 C.F.R. Parts 77 and 155. Private Operator further agrees that it will operate the Airport to meet the reasonable requirements of users of the Airport. It is specifically agreed that nothing contained herein shall preclude Private Operator from subcontracting the performance for any such work or services to others or purchasing utilities, supplies or services from others in a prudent manner, provided that the overall administration and control of the Airport is exercised by Private Operator. In connection with the foregoing, Private Operator shall in accordance with good and accepted practices of similar airports in the United States:
- a. furnish, operate, maintain, repair and/or replace (if any) all mechanical, plumbing, sprinkler, power, HVAC, steam, electrical, fuel, boiler, water, toilet, burglar alarm, communications, gas systems and all other systems as may be required to operate the Airport;
 - b. provide general care of the Airport, including roadways and parking facilities within the Airport, except for repairs required to be made by Public Sponsor under the express terms of this Agreement, to insure cleanliness, good appearance and efficient, safe operation, and provide janitorial, drainage, garbage, refuse, snow and ice removal services at the Airport;
 - c. coordinate and maintain Airport security and provide appropriate personnel for necessary security and to meet emergencies at the Premises, all in accordance with 49

C.F.R. Part 1542/1540, to the extent applicable. In connection with Private Operator's obligation to provide Airport security, Private Operator acknowledges that Public Sponsor has primary jurisdiction relative to the Premises; and, Private Operator hereby agrees that in the event that Private Operator decides to contract with a third party to provide security services at the Airport, at any time during the Term of this Agreement, that Private Operator shall first offer such contract to Public Sponsor to provide security at the Airport under contract terms commensurate with contracts for similar services provided at other similarly sized airports. In the event that Public Sponsor declines to provide security services at the Airport, Private Operator agrees that any contract with a third party to provide security at the Airport shall be subject to the approval of Public Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed. In the event Private Operator enters into a contract with a third party to provide security at the Airport, the third party providing security shall meet the certification requirement set forth in Louisiana Revised Statutes Title 38 Article 326(c), or such similar statute as may exist from time to time;

- d. enforce all airport rules, regulations and to assure compliance with applicable Federal, State of Louisiana and local statutes and laws, including but not limited to zoning laws, environmental and noise regulations. In this regard, Private Operator shall, within one hundred and twenty (120) days following the Commencement Date, develop and submit to Public Sponsor for its approval, which shall not be unreasonably withheld, conditioned or delayed, revised airport rules and regulations, an airport security plan and emergency plan;
- e. furnish, supply and maintain such equipment, furnishings, materials, tools, supplies, radios, fire extinguishing equipment and all other items and devices of any kind necessary or appropriate for the proper operation of the Airport, including but not limited to any item or service required pursuant to 49 U.S.C. § 47107(a)(1), (4), (5), (6), (7), (8), (9), (10), (13), (14), (15), (16), (17), (b), (d) and (e);
- f. arrange for all water, sewer, electricity, gas, telephone and all other utilities necessary at the Premises and require by contract that all users of such utilities, including Private Operator, make prompt payment therefor;

- g. employ or arrange to have employed at its expense sufficient personnel adequate and necessary to perform all of its services and obligations required under this Agreement and provide all proper and necessary supervision;
- h. staff airport rescue and fire response in accordance with 14 C.F.R. Parts 139.315-139.319;
- i. maintain safety of runways and taxiways;
- j. coordinate with personnel of the FAA and LADOTD regarding grant and operational matters, as necessary;
- k. maintain adequate records of services provided and of the operation of the Airport;
- l. coordinate any construction, maintenance, or other activities at the Airport to minimize interference with Airport operations;
- m. develop a community action plan in order to manage community, City of New Orleans and LADOTD relations, including the designation of a member of Private Operator's Airport staff responsible for community liaison;
- n. act on behalf of Public Sponsor in conducting liaison with the State of Louisiana, the City of New Orleans and Federal agencies on matters relating to aid programs and operation of the Airport;
- o. develop emergency plans, coordination of off-site Airport resources, as well as coordination with Public Sponsor on its emergency operations plans;
- p. provide contractual services for the Premises with third parties in compliance with any and all applicable Federal, State of Louisiana and local laws and ordinances;
- q. maintain separate financial accounting records to properly record and categorize revenues by function on a basis consistent with Accounting Principles of sufficient detail to assure Public Sponsor of the safeguarding of the assets being managed, and in accordance with the standards required by the Secretary (as defined therein) under 49 U.S.C. § 47107(a)(14) or any other FAA records requirements. Private Operator will be expected to provide Public Sponsor at least quarterly and year-to-date statements of operating reports, and to permit inspection of financial and operating records sufficient to support verification of the Percentage Rent payments to Public Sponsor, and any contractually-required maintenance or capital expenditure;

- r. assure that aviation fuel, aircraft maintenance and other aircraft services reasonably required to meet the needs of the users of the Airport are provided on the Airport;
- s. properly maintain and operate the Fuel Farm located on the Airport and Private Operator shall be the sole source of fuel distribution and deliveries at the Airport, subject to FAA Rules and Regulations;
- t. properly manage any environmental and noise issues arising from the operation of the Airport. In connection therewith, Private Operator shall establish within 120 days of the Commencement Date a Noise Abatement Office for the Airport and shall designate a Noise Abatement Officer who will be responsible for the development, management and oversight of the noise abatement program and shall serve as primary liaison with the community; establish a noise hotline and respond to complaints within forty-eight (48) hours; and, establish a committee, including representatives of the community, airport tenants and, users, the FAA, LADOTD and the OLD, which will meet regularly to discuss noise and environmental issues; the purpose of this program will be to provide for the most compatible operation practical within the surrounding environs of the Airport and to establish good relationships with airport neighbors. Private Operator shall maintain published procedures for noise abatement and may designate noise sensitive areas as provided for in FAA Advisory Circular 91-36B; Private Operator shall make a quarterly report to Public Sponsor of noise complaints received, which shall include date, time, location, nature of disturbance, results of monitoring operations, and other information as reasonably requested from time to time; Private Operator shall also conduct periodic reviews of published noise contours for the Airport, establish a preferential runway use policy, as approved by the FAA, establish an approach/departure policy to minimize the effects of noise as approved by the FAA and cooperate with local governmental agencies to insure land use compatibility on and off the Airport; utilize, as necessary, noise measurement and monitoring devices, and implement any and all reasonably necessary procedures to mitigate the adverse effects of noise from operations at the Airport to the same extent as at a public airport. Private Operator and Public Sponsor acknowledge a noise contour analysis using the FAA's Integrated Noise Model (IMN) Version 4.11, was performed on Lakefront Airport and

is published in the Final Technical Report of the New Orleans Lakefront Airport Master Plan Update dated October, 1996. Private Operator shall perform an environmental assessment in compliance with FAA Order 5050.4A, dated October 8, 1985, prior to any project which would result in a 1.5 Ldn or greater increase in noise over any noise sensitive area located within the 65 Ldn contour. If the FAA issues a finding of no significant impact from such study, Private Operator shall be allowed to continue said project subject to Public Sponsor approvals contained herein. Private Operator further acknowledges and agrees that Public Sponsor, consonant with its duties as the proprietor and to the neighborhood, may require Private Operator to apply for FAA funding of and upon receipt of such funding proceed with Airport Noise Compatibility Planning, as defined under 14 C.F.R. Part 150. Public Sponsor may only require such Part 150 study if the impact from any new or expanded operation at the Airport causes future noise contours to exceed 1.5 Ldn. over the future contours depicted in the October 1996 Airport Master Plan for any noise sensitive area. In the event that a Part 150 study concludes that restrictions on the airport are required in order to protect heretofore compatible uses of residences, schools, churches, parks or other non-commercial facilities (impact on commercial buildings or facilities will not result in the application of this provision), then the Private Operator and the Public Sponsor upon Public Sponsor's request consistent with the Part 150 conclusions shall jointly file a notice requesting FAA review under 14 C.F.R. Part 161 of such possible restrictions.

- u. coordinate with Public Sponsor on Public Sponsor's operations and maintenance of any Airport facilities remaining under Public Sponsor's responsibility, including any required FEMA reports in the event of a Federal disaster declaration;
- v. manage all tenant-related services and liaison;
- w. designate a staff employee in New Orleans, Louisiana, as a Point Of Contact ("POC"), available twenty-four (24) hours a day seven (7) days a week, to receive and respond to notifications from Public Sponsor, including notifications of actions to be taken by Public Sponsor during emergency and storm events in furtherance of Public Sponsor's flood protection obligations; and,

- x. perform and furnish all services necessary to operate the Premises as a public airport in compliance with all applicable provisions of Federal, State, and local laws and maintain FAA certification of the Airport to a minimum of FAR Part 139 standards in accordance with FAA regulations.
- 10.3 Private Operator agrees to operate the Airport in accordance with the obligations of Public Sponsor to the Federal Government under all applicable laws and regulations and in compliance with all existing FAA Agreements in effect at the time of execution of this Agreement and any future FAA Agreements; in furtherance of this general covenant, but without limiting its general applicability, Private Operator specifically agrees to operate the Airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without discrimination; to provide space on the Airport to the extent available, and to grant rights and privileges for use of the landing area facilities of the Airport to all qualified Persons, firms and corporations desiring to conduct aeronautical operations on the Airport.
- 10.4 It is specifically understood and agreed that nothing contained in this Agreement shall be construed as granting or authorizing the granting of an exclusive right that would be prohibited by 49 U.S.C. § 47107(a)(4), and wherever the word “exclusive” appears in this Agreement and wherever same would be violative of 49 U.S.C. § 47107(a)(4), same shall be deleted.
- 10.5 Public Sponsor shall have the right, if necessary, to take such actions in connection with activity which is consistent with the Master Plan, as amended, pursuant to its statutory duties established under 49 U.S.C. §47107(a)(9). Public Sponsor shall have the right, if necessary, to take proper action to protect the aerial approaches of the Airport against obstruction, together with action to prevent Private Operator from erecting, or permitting to be erected, any buildings or other structures on the Premises which, in the opinion of Public Sponsor, limit the usefulness of the Airport or constitute a hazard to aircraft. This ARTICLE TEN, Section 10.5 shall be solely limited to Public Sponsor’s reservation of rights hereunder to the extent that any actions of Private Operator referred to in this ARTICLE are violative of any FAA or other Governmental Authority’s rules or regulations.
- 10.6 This Agreement shall be subordinate to provisions of any existing or future Agreements entered into between Public Sponsor and (a) the United States, or (b) LADOTD, to obtain Federal,

State of Louisiana or local Airport aid for the improvement of operation and maintenance of the Premises. To the extent that the law permits only Public Sponsor to act as a sponsor in connection with the grant of Federal, State of Louisiana, and or local funds for airport development, Private Operator shall participate, and Public Sponsor shall use its Best Efforts, in any such application for such funds through Public Sponsor to the extent permitted, and any such grant should recognize the unique relationship between Public Sponsor and Private Operator.

- 10.7 It is understood that the FAA will at all times look to Public Sponsor for affecting such actions as may be required to conform to the Assurances, and Private Operator shall be considered by the FAA as a “resident agent” of Public Sponsor for purposes of conforming to the Assurances. Public Sponsor hereby reserves such rights and authority so as to insure that the Premises will be operated and maintained in accordance with pertinent Federal statutes, rules, regulations and covenants contained in the Assurances entered into, or hereinafter entered into, in Agreements between Public Sponsor and FAA. As between Public Sponsor and Private Operator, Private Operator has responsibility for compliance with the Assurances. Notwithstanding other provisions contained herein, where Public Sponsor must provide Assurances, Private Operator has the responsibility for complying, to the extent that Private Operator can reasonably control such compliance, with such Assurances.
- 10.8 To the extent that the law requires same, the approval and formal release of the FAA will be necessary for any construction on those portions of the Premises designated on the ALP or otherwise as being for aviation purposes.
- 10.9 In the event of the Sublease of any portion of the Premises within area(s) designated for aviation purposes, as set forth in the ALP, as approved by the FAA, such Sublease shall contain a provision stating that all covenants, promises, conditions, and obligations contained in this Agreement or the Assurances pursuant to any grant by the FAA are covenants running with the land and shall bind the Sublessee, and its respective heirs, legal representatives, successors, and assigns.
- 10.10 It is agreed and understood that Public Sponsor may utilize a mechanism, such as an Airport committee, authority, or liaison, to monitor Private Operator’s operations to assure compliance with this Agreement, including compliance with all FAA Agreements, rules and regulations.

- 10.11 Private Operator shall use its Best Efforts to maintain at all times during the Term at least two (2) Fixed Base Operators (FBOs) in business at the Airport. In the event that at any time there are less than two (2) FBOs in business at the Airport, Private Operator or its Affiliate shall provide the services normally provided by a FBO until a second independent FBO is conducting business at the Airport. Private Operator shall, in such event, use its Best Efforts to expeditiously secure another FBO. At any time that Private Operator acts as the proprietor and its Affiliate acts as an FBO at the Airport, Private Operator acknowledges that it or its Affiliate must offer to all the FBOs exactly the same terms, conditions and privileges as it offers to the FBO owned or controlled by the Private Operator or its Affiliate.

ARTICLE ELEVEN

PRIVATE OPERATOR'S ASSUMPTION OF LIABILITY

AND INDEMNITY OBLIGATIONS

- 11.1 To the full extent permitted and authorized under law, Private Operator, as of the Commencement Date, assumes all responsibility for the condition of the Premises, and any Improvements located thereon on the Commencement Date or thereafter, and Public Sponsor shall not be liable for injury or damages caused by any defect therein or from any cause whatsoever to Private Operator or any Person on the Premises who derives his or her right to be thereon from Private Operator or to any other Person on the Premises.
- 11.2 Notwithstanding the existence of any insurance provided for herein and without regard to the policy limits of any such insurance, Private Operator shall to the maximum extent permitted by law protect, defend, indemnify and hold forever harmless Public Sponsor and its commissioners, officers, officials, employees, agents, and representatives (all hereinafter referred to as "Indemnitees" and/or "Indemnified Party" and/or "Protected Parties") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and reasonable expenses (including, without limitation, reasonable attorney's fees) asserted against, imposed upon or incurred by Public Sponsor by reason of: (a) any accident, injury to or death of any Person, including but not limited to Private Operator, and its employees, agents, representatives, tenants, and assignees, and all Persons associated with Private Operator who may have access to or who are invited or not by Private Operator to the Premises occurring on or about the Premises, caused by, resulting from, arising out of, related to or connected with

Private Operator's occupancy or use of the Premises and/or any buildings or Improvements thereon or any action of Private Operator upon the Premises, including that caused or allegedly caused by defects, or vices or decay in the Premises, during the term of this Agreement, and under any theory of law under which Public Sponsor might be held responsible, including strict or absolute liability, as owner of the Premises or (b) loss of or damage to property occurring on or about the Premises caused by, resulting from, arising out of, related to or connected with Private Operator's occupancy or use of the Premises and/or any buildings or Improvements thereon or any action of Private Operator upon the Premises, including that caused or allegedly caused by defects, or vices or decay in the Premises during the term of this Agreement, and under any theory of law under which Public Sponsor might be held responsible, including strict or absolute liability, as owner of the Premises or (c) as a result of any negligence during the term of this Agreement on the part of Private Operator, Private Operator's agents, employees, invitees, licensees or representatives, and whether or not caused or contributed to by the strict or absolute liability of any of the aforesaid Indemnitees. Notwithstanding the foregoing, Private Operator's indemnity obligations set forth hereinabove shall not include (1) indemnity for Public Sponsor's liability for any accident, injury to or death of any person or for any property damage or for any other matter occurring prior to the Commencement Date or (2) indemnity for Public Sponsor's acts of intentional fault or negligence which are a cause of any such accident, injury to or death of any person or any property damage to the extent that the liability, obligation, claim, damage, penalty, cause of action, cost or expense arises out of a part of the Premises that Public Sponsor either occupies or is obligated to maintain pursuant to this Agreement.

- 11.3 Public Sponsor shall not in any event be liable for (a) any liabilities or claims for injuries or damages arising during the term of this Agreement from and/or related to decay or vices or defects in the Premises, whether based upon negligence or any other theory of law, which liabilities are assumed by Private Operator; (b) any use, misuse, non-use, condition, management, maintenance or repair of the Premises during the term of this Agreement (except maintenance or repair for which Public Sponsor is responsible under this Agreement) or any litigation, proceeding or claim by any Governmental Authority or any Person to which Public Sponsor is made a Party or participant relating to the Premises or such use, misuse, non-use,

condition, management, maintenance, or repair thereof during the term of this Agreement, including failure to perform Private Operator's obligations, to which Public Sponsor is made a Party; (c) any Impositions which are the obligations of Private Operator to pay pursuant to the applicable provisions of this Agreement; and, (d) any failure on the part of Private Operator or anyone for whom Private Operator is vicariously liable to perform or comply with any of the terms of this Agreement. Private Operator shall pay all amounts due under this ARTICLE ELEVEN, Section 11.2 within sixty (60) days after demand therefor. Private Operator, at its direction and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Public Sponsor, or may compromise or otherwise dispose of the same with Public Sponsor's prior written consent, which will not be unreasonably withheld, conditioned or delayed.

- 11.4 The obligations assumed hereunder by Private Operator to defend, indemnify and hold forever harmless Public Sponsor against any and all liabilities and claims which may arise out of the occupancy or use of the Premises shall include any injuries or damages to any Person or property occurring off the Premises which arise out of or result from a vice or defect or decay in the Premises or the negligence of Private Operator, its agents, representatives, employees, invitees or licensees.
- 11.5 This Article and Private Operator's reimbursement and indemnification obligations set out herein shall apply notwithstanding the fact that Public Sponsor may be strictly liable or liable as owner of the Premises under theory of law similar to strict liability for the condition, defect, thing, or occurrence that gave rise to the matter for which reimbursement or indemnity is sought. It is the intention of Public Sponsor and of Private Operator that Private Operator's indemnity obligations as set forth in this Agreement shall not apply to any claims or damages arising out of the intentional acts and/or negligence of Public Sponsor or of its commissioners, employees, officers, officials, agents or representatives; and, Private Operator shall not indemnify and shall not hold harmless the Indemnitees from any liability, obligation, claim, damage, penalty, cause of action, cost or expense asserted against, imposed upon or incurred by any such Indemnitees as a result of the intentional act(s) or act(s) of negligence of any such Indemnitees.

- 11.6 It is the intention of the Parties that only those matters which are determined by a final, nonappealable judgment to be a result of the intentional act(s) or act(s) of negligence of an Indemnified Party shall be excluded from Private Operator's duty to defend, indemnify and hold forever harmless the Indemnified Parties. If there is a final, non-appealable judgment rendered that such injury or damages was the result of the intentional act(s) or act(s) of negligence of an Indemnified Party, Public Sponsor shall reimburse Private Operator for any insurance deductible on any applicable liability policy paid by Private Operator related to the defense of Private Operator to such claim for injury or damages.
- 11.7 In no event shall Public Sponsor have any liability to Private Operator or to any other Person or entity for loss of business or other consequential damages or any other liability connected with, related to or rising out of any flood protection activities performed by Public Sponsor pursuant to its flood control obligations.
- 11.8 All personal property placed in or on the Premises shall be there at the risk of Private Operator, or the owner thereof, and Public Sponsor shall not be liable for any damage to such personal property by any cause whatsoever, except resulting from the intentional fault or acts of negligence of Public Sponsor its commissioners, officers, employees, representatives or agents. Private Operator waives all claims against Public Sponsor for damages to the goods, wares, vehicles, personal possessions, merchandise in, upon and about the Premises, and for all injuries and damages to Private Operator, its agents, licensees, invitees or Subtenants, in or about the Premises, except those claims resulting from the intentional fault or acts of negligence of Public Sponsor, its commissioners, officers, employees, representatives or agents, and Private Operator shall hold Public Sponsor forever harmless from any damage and/or injury to any Person or to the goods, wares, and merchandise of any such Person, arising from the occupancy or use of the Premises, or from any act or omission of Private Operator, or from the failure of Private Operator to keep the Premises in good condition and repair, except those claims resulting from the intentional fault or acts of negligence of Public Sponsor, its commissioners, officers, employees, representatives or agents.
- 11.9 Private Operator shall defend, hold forever harmless and indemnify Public Sponsor from any liabilities, claims, lawsuits, costs and expenses arising during the Term of this Agreement from, relating to or connected with Airport operational noise or emissions and/or noise or emissions

from aircraft flights from, to or at the Airport, regardless of the legal theory upon which such suit, action or proceeding is based upon, except that such indemnity shall not apply to the extent that any such loss, penalty, damage or liability was caused by any intentional act(s) or act(s) of negligence by or on the part of Public Sponsor, its commissioners, officers, employees, representatives or agents. The Parties agree that this indemnity also does not apply to the historical, intentional act of Public Sponsor in the 1930's to build the Airport to the extent that such decision may have created liability under Griggs v. Allegheny Co., 369 U.S. 84 (1962).

- 11.10 Private Operator further agrees that the obligations of Private Operator to defend, hold forever harmless and indemnify Public Sponsor, as required under the terms this Agreement, shall be effective and enforceable by Public Sponsor against Private Operator upon notice given by Public Sponsor to Private Operator of any said indemnified liabilities, claims, demands or lawsuits asserted by any Person against Public Sponsor or any Protected Parties.
- 11.11 Private Operator hereby releases Public Sponsor with respect to any claim (including a claim for negligence or strict liability) that Private Operator or any other Person claiming under or through Private Operator might otherwise have against Public Sponsor for loss, damage or destruction with respect to the Premises (including consequential damages, rental value and business interruption) and/or to personal property of any Person on the Premises occurring during the Term to the extent Private Operator is required to be insured under the policies described hereinbelow and any other property insurance covering the Premises or personal property thereon, provided that Private Operator shall be subrogated to any claims(s) which Public Sponsor may have against third parties. If Private Operator shall fail to maintain insurance in effect as required by this Agreement, the release of liability by Private Operator set forth in this Agreement shall be in full force and effect to the same extent as if such required insurance were in effect. The insurance policies described in this Agreement covering the Premises or personal property thereon shall include an express waiver of all rights of subrogation and permission to release liability against Public Sponsor.
- 11.12 Private Operator acknowledges and recognizes the fact that the Premises are located outside of and on the unprotected or flood side of the Orleans Levee District Flood Protection System for the Parish of Orleans, and therefore are subject to flooding, and exposed to the hazardous weather which may prevail from time to time. Private Operator acknowledges and agrees that

Public Sponsor shall not be responsible for any personal injury, including death, to any Person or damage to the Premises or any Improvement thereon, or any property of Private Operator or any other Person located on the Premises, or the consequences thereof, that may result from natural hazards, i.e., Force Majeure, and/or the lack of flood protection at the Airport; and, Private Operator further agrees to evacuate the Premises upon notice, in any form, from Public Sponsor of an emergency that, in Public Sponsor's sole determination, threatens the life and safety of the public. Except as provided in Louisiana Revised Statutes Title 9, Section 2798.1, Private Operator also agrees that Public Sponsor shall not be responsible for any personal injury, including death, to Private Operator or any Person or damage to the Premises or any Improvement thereon, or any property of Private Operator or any Person thereon, or the consequences thereof, resulting directly or indirectly from any action taken by Public Sponsor in the exercise of its authority to protect the public from flood waters. Notwithstanding the foregoing Private Operator shall have no indemnification obligations under this Agreement to defend or hold harmless Public Sponsor against any third parties' claims against the Public Sponsor resulting directly or indirectly from any action taken by Public Sponsor in the exercise of its authority to protect the public from flood waters.

11.13 Public Sponsor shall not be liable to Private Operator or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Private Operator or of any other Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditament by anybody, or caused by any public or quasi-public work. Public Sponsor shall use its Best Efforts to the extent necessary to assist Private Operator in restoring the loss of any utility services at the Premises during the term of this Agreement.

11.14 Private Operator shall not knowingly do, or knowingly permit any Subtenant, or any employee, agent, contractor or invitee of Private Operator or of any Subtenant, to do any act or thing upon the Premises that shall subject any of the Protected Parties to any liability or responsibility for injury or damage to Persons or property, or to any liability by reason of any violation of this

Agreement, and shall use reasonable efforts to exercise such control over the Premises so as to fully protect the Protected Parties against any such liability. Except to the extent (a) caused by intentional acts and/or acts of negligence of Public Sponsor or Public Sponsor's agents or employees, or (b) Public Sponsor's obligation under an Existing Agreement arising prior to the Commencement Date, Private Operator, to the fullest extent permitted by law, shall indemnify, defend and save the Protected Parties harmless from and against any and all actions proceedings, lawsuits, liabilities, suits, judgments, obligations, fines, losses, damages, penalties, claims, costs, charges and expenses, including reasonable engineer's, architect's and attorney's fees and disbursements, imposed upon, incurred by, or asserted against any of the Protected Parties by the occurrence of any of the following during the Term:

- (a) construction of any Improvements or any other work or thing done in or on the Premises or any part thereof, unless performed by Public Sponsor;
- (b) any alteration, replacement, repair, restoration, capital improvement, condition, operation, maintenance, leasing or management of the Premises or any part thereof or the Bulkhead or of any road or highway under the control of Private Operator and comprising a part of the Premises (except for repairs to the Stars & Stripes Boulevard Facilities and the Parking Lots for which Public Sponsor is responsible under the terms of this Agreement);
- (c) any lien or claim which may have arisen out of any act of Private Operator or any Subtenant or any agent, contractor, invitee, or employee of Private Operator or any Subtenant, against or on the Premises, or any lien or claim created or permitted to be created by Private Operator in respect to the Premises against any assets of, or funds appropriated to any of the Protected Parties under the laws of any Governmental Authority or any liability which may be asserted against any of the Protected Parties with respect thereto; or,
- (d) any claims or demands of any party to any of the Existing Agreements caused by the performance or non-performance thereby by Private Operator or any Subtenant or any agent, contractor, invitee or employee of Private Operator or any Subtenant during the Term.

- 11.15 It is expressly agreed that in the event any clause or provision of this Agreement excluding or limiting the liability of the Protected Parties is held to be illegal or unenforceable, and cannot be reformed, that said clause or provision shall be deleted and the balance of such clause and provision of this Agreement shall be interpreted as if the deleted provision never existed. It is further expressly agreed that if any illegal or unenforceable clause or provision may be reformed that said provision should be reformed to afford the intended protection to Public Sponsor. Further, it is expressly agreed that the invalidity of any clause or provision excluding or limiting the liability of the Protected Parties shall have no effect upon the obligations of Private Operator to defend and indemnify the Protected Parties from any indemnified claim described hereinabove.
- 11.16 Private Operator hereby declares and acknowledges that the foregoing waivers, limitations and disclaimers of warranties and liabilities by Public Sponsor have been specifically brought to its attention and explained and Private Operator hereby consents and agrees to the said foregoing waivers, limitations and disclaimers of warranties and liabilities.
- 11.17 The obligations under this ARTICLE ELEVEN shall survive the expiration or earlier termination of this Agreement with respect to liabilities and claims arising prior to such expiration or earlier termination.

ARTICLE TWELVE

LIABILITY INSURANCE; WORKERS COMPENSATION

- 12.1 Public Sponsor covenants and agrees that it will maintain without lapse the liability insurance coverage it presently maintains on the Premises until the Commencement Date.
- 12.2 Private Operator, in its own name and naming Public Sponsor as additional named insured, shall throughout the Term, procure, maintain, and pay the premium on a policy of commercial aviation general liability broad form insurance, written on a per occurrence basis, to afford protection against liability for personal and bodily injury and death arising therefrom and broad form property damage, with a "personal injury" endorsement covering claims arising out of false arrest, false imprisonment, malicious prosecution, defamation, libel, slander, wrongful eviction, wrongful entry, and invasion of privacy arising out of any one occurrence in connection with the Premises or any part thereof (and shall include, specifically, the Premises and all areas, including sidewalks, roads, streets and passageways, adjoining or appurtenant to the Premises),

which insurance coverage may include an aviation date recognition endorsement with limited write-back coverage based on acceptable underwriting data, and shall include coverage for any liability imposed upon Public Sponsor arising or resulting from acts of contractors, subcontractors, tenants, Subtenants, employees, agents, leased employees and volunteers of the insured Parties, in amounts that may, from time to time, reasonably be required by Public Sponsor, but not less than Fifty Million Dollars (\$50,000,000) per occurrence and aggregate, except with respect to the sublimited coverage set forth below, it being agreed that, such commercial aviation general liability insurance shall provide at least the following coverages:

- (1) Premises and Operations Liability;
- (2) Aviation Liability (owned, if applicable, and non-owned aircraft) with not less than Twenty-Five Million Dollars (\$25,000,000) per occurrence and aggregate;
- (3) Broad Form Commercial Liability;
- (4) Host Liquor Liability, with not less than Twenty-Five Million Dollars (\$25,000,000) per occurrence and aggregate sublimit; Liquor Liability if Private Operator, operates liquor providing facilities;
- (5) Ground Hangar Keepers Liability, with a sublimit of not less than Fifty Million (\$50,000,000) each aircraft/each loss limit;
- (6) Independent Contractor's Liability Coverage (including coverage for foundation, excavation or demolition work);
- (7) Medical Malpractice Liability for MD's, Nurses, EMS Professionals and for all Medical Emergency Facilities at the Premises, if any, with a sublimit of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) aggregate; provided, however, Private Operator shall not be obligated to provide said medical malpractice liability coverage, but only incidental medical malpractice liability coverage with a sublimit of not less than Ten Million Dollars (\$10,000,000) per occurrence and aggregate so long as (A) Private Operator is not providing any medical services at the Premises (B) insurance coverage with a sublimit of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) aggregate is provided and maintained by the medical service provided at the Premises, except that if the

only medical service provider at the Premises is a Governmental Authority, no such insurance will be required, and (C) Private Operator delivers to Public Sponsor certificates of such insurance;

- (8) Elevator/Escalator Liability;
- (9) Personal Injury/Advertising Injury Liability with a sublimit of not less than Twenty-Five Million Dollars (\$25,000,000) per occurrence and aggregate;
- (10) Cross Liability; and,
- (11) All other liability coverage reasonably requested, at any time, by Public Sponsor.

12.3 Private Operator during the Term of this Agreement shall provide and keep in force Comprehensive Commercial Automobile Liability Insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount as may from time to time be reasonably determined by Public Sponsor, but not less than Five Million Dollars (\$5,000,000) combined single limit.

12.4 Private Operator during any construction or renovation(s) by Private Operator during the Term of this Agreement shall provide and keep in force, if not included in the above-mentioned policies, all-risk builder's risk insurance written on a one hundred percent (100%) of completed value (non-reporting) basis, naming, to the extent of their respective insurable interests in the Premises, Private Operator as named insured, and Public Sponsor and any contractor or construction manager engaged by Private Operator as additional insureds. In addition, such insurance (A) shall contain an endorsement stating that "permission is granted to complete and occupy," and (B) if any storage location situated off the Premises is used, shall include coverage for the Functional Replacement Cost, of all Equipment and materials on or about any such storage location intended for use with respect to the Premises.

12.5 Private Operator during the Term of this Agreement shall provide and keep in force such insurance and endorsements in such amounts as may from time to time reasonably be required by Public Sponsor to insure Public Sponsor's interests, which coverages may be available in the insurance market at commercially reasonable rates, or as may be required by a change in requirements. However, Private Operator shall not be in default in the event that such coverages are not available at commercially reasonable rates or in the event that insurer(s) do

not offer such coverages or do not offer such coverages in the amounts required by Public Sponsor.

- 12.6 Private Operator during the Term of this Agreement shall provide and keep in force Third Party Pollution Liability Insurance for all Environmental Damages and Remediation Insurance for the Premises for all Environmental Conditions, in an amount not less than Ten Million Dollars (\$10,000,000) per occurrence and aggregate on a combined basis.
- 12.7 Private Operator during the Term of this Agreement shall provide and keep in force Employment Practices Liability insurance in an amount not less than One Million Dollar (\$1,000,000) per occurrence and aggregate.
- 12.8 Private Operator during the Term of this Agreement shall provide and keep in force Fiduciary Liability for Employee Benefits/Pension Plan (including Employee Benefits Liability) in an amount not less than the total amount of the assets of such plans.
- 12.9 All insurance provided by Private Operator, as required by this Agreement, shall be issued in the names of Private Operator as insured and Public Sponsor as an additional insured (except as otherwise provided in this Agreement) and, to the extent applicable, shall contain a standard Insurance Services Office, Inc. (ISO) Designated Premises Endorsement relating to the Premises, in order that Public Sponsor shall be entitled to recover under said policies for any loss or damages occasioned to such Party by reason of the negligence or tortious acts of Private Operator, its servants, agents, employees and contractors and that any loss payable under the policies required hereinabove shall be payable as provided in this Agreement.
- 12.10 Private Operator may provide the insurance required of it under this Agreement through an individual policy, several individual policies, a blanket policy or policies also covering other premises owned, leased or operated by Private Operator or any Affiliate of Private Operator, or by similar policies by or on behalf of Subtenants.
- 12.11 The amounts of insurance required under this ARTICLE shall not be construed to limit the extent of Private Operator's liability under this Agreement.
- 12.12 The Parties expressly agree that the insurance coverage afforded Public Sponsor under this Agreement applies only with respect to the operation of the Premises by Private Operator and obligations assumed by Private Operator under this Agreement.

- 12.13 Private Operator during the Term of this Agreement shall also secure and maintain at its own expense, worker's compensation insurance and employer's liability insurance. The worker's compensation insurance shall satisfy Private Operator's worker's compensation obligation to its employees in the State of Louisiana. Employer's liability insurance shall be secured with minimum limits of One Million Dollars (\$1,000,000) each employee for bodily injury, by accident, including death, and One Million Dollars (\$1,000,000) each employee for bodily injury by disease, including death, all such limits to be subject to increase as may be required by Public Sponsor.
- 12.14 In addition to the foregoing, Private Operator and/or Public Sponsor may, in their sole discretion, obtain and maintain additional quantities and types of insurance as each may deem desirable, each at its own expense. In the event of duplicate coverage, Private Operator's policy or policies shall be deemed primary.
- 12.15 In the event Private Operator shall fail to effect such insurance as herein required, to pay the premiums therefor or to deliver such policies or certificates to Public Sponsor at the times required, Public Sponsor shall have the right, but not the obligation, to acquire such insurance and pay the premiums therefor, which amounts shall be payable to Public Sponsor by Private Operator, upon demand, as Additional Rent, together with interest accrued thereon at two (2) percentage points above the Prime Rate from the date such payment is made until the date repaid. All such policies shall provide Public Sponsor thirty (30) days prior written notice of any material modification, expiration or cancellation of such policy.
- 12.16 Private Operator further agrees to obtain approvals of its insurance carriers of the aforementioned coverages to the waiver of any and all rights of subrogation or recovery against Public Sponsor that would inure to the benefit of its respective insurance carriers.

ARTICLE THIRTEEN

FIRE, FLOOD AND CASUALTY INSURANCE

AND GENERAL INSURANCE PROVISIONS

Fire, Flood and Casualty Insurance

- 13.1 Public Sponsor covenants and agrees that it will maintain without lapse the property insurance coverage it presently maintains on the Premises until the Commencement Date.

- 13.2 Private Operator shall, at its sole cost and expense, at all times during the Term, keep the Premises (or cause the Premises to be kept), including the Improvements located thereon on the Commencement Date and any Improvements constructed thereafter, insured against loss or damage by fire and hazards commonly included in “all risk” insurance policies for real and personal property, including property in the care, custody and control of Private Operator, as well as specific time Element Exposures (Business Interruption/Extra Expense/Rents), including (A) coverage on a replacement cost and agreed amount endorsement basis for loss or damage due to fire, water, subsidence, earthquake, collapse, breakage of glass, and any other peril, including the cost of debris removal and any increase in cost of construction caused by ordinance or law, in an amount not less than the replacement cost of the buildings, improvements and property in the care, custody and control of Private Operator; (B) comprehensive Boiler and Machinery coverage for direct property loss and loss of income and covering all steam, mechanical and electrical and electronic equipment, including, all boilers and other pressure vessels or systems, whether fired or unfired, air conditioning equipment, elevators, piping and wiring, with a “joint loss” endorsement; (C) business interruption insurance (“Business Interruption Insurance”) in an amount not less than the sum of the amount of Rent, Impositions and Taxes payable for the then current Lease Year, and the amount of Percentage Rent payable for the Lease Year immediately preceding the then current Lease Year; and, (D) coverage for loss of off-premises utilities (with a sublimit of not less than twenty-five percent (25%) of the amount of Business Interruption Insurance).
- 13.3 Private Operator shall throughout the term maintain flood or rising water insurance on the Premises, including the Improvements located thereon and any Improvements constructed hereafter, in an amount equal to the replacement cost thereof or if replacement cost coverage shall not be available in such amounts as may be available to Private Operator from time to time during the term of this Agreement.
- 13.4 Private Operator shall be responsible for negotiating and settling all losses with any insurance carrier, subject to the approval of Public Sponsor, with respect to losses in excess of Five Hundred Thousand Dollars (\$500,000), Adjusted For Inflation, which approval will not be unreasonably withheld, conditioned or delayed by Public Sponsor, provided further that if Public Sponsor does not take action on a written request for such approval within sixty (60)

days of receipt of said written request by granting or denying approval, then approval shall be deemed given by Public Sponsor. Any written request for such approval by Private Operator shall include notice to Public Sponsor that approval will be deemed given unless action is taken on said written request within the time period provided in this ARTICLE.

- 13.5 Private Operator shall as soon as reasonably possible repair or rebuild any Improvement damaged or destroyed by fire or other casualty from insurance proceeds or if such proceeds are not available or sufficient, through the use of its own funds. Within sixty (60) days after notice of the adjustment of a loss, Public Sponsor will have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, the procedures for distribution of any insurance proceeds by Private Operator, including in connection with proceeds which exceed Five Hundred Thousand Dollars (\$500,000), Adjusted for Inflation, the use of an escrow agent or insurance trustee acceptable to Private Operator.
- 13.6 Notwithstanding anything herein to the contrary, (i) Private Operator's obligation to Restore or cause the restoration of any Improvement or any portion thereof demised to a Subtenant shall be limited to the extent of such Subtenant's obligation to Restore pursuant to such Sublease, (ii) Private Operator shall not be obligated to Restore or cause the restoration of any Improvement that Private Operator shall not be obligated to insure or any Improvement which Private Operator and Public Sponsor mutually agree is not necessary for the operation of the Premises, and (iii) Private Operator shall not be obligated to Restore or cause the restoration of any Improvement insured at Functional Replacement Cost (as defined herein) at a cost in excess of such level of insurance.
- 13.7 Except for those Improvements which Public Sponsor is obligated to maintain or repair under the terms of this Agreement, in no event shall Public Sponsor be required to Restore any Improvement now or hereafter existing or any portion of any thereof or to pay any of the costs or expenses thereof. If (i) Private Operator shall fail or neglect to commence the diligent restoration of the Improvement or the portion of any thereof so damaged or destroyed and which Private Operator is required by this Agreement to Restore, or (ii) having so commenced such restoration shall fail to diligently complete the same in accordance with the terms of this Agreement, or (iii) prior to the completion of any such restoration by Private Operator, this Agreement shall expire or be terminated by reason of an Event of Default, then provided that

this Agreement has not been terminated by Private Operator, Public Sponsor may, but shall not be required to, complete such restoration at Private Operator's expense, but such payment shall not limit Private Operator's obligation to pay Public Sponsor's reasonable restoration expenses, less amounts received by Public Sponsor. In any case where this Agreement shall expire or be terminated prior to the completion of any restoration, Private Operator shall (a) account to Public Sponsor for all amounts spent in connection with any restoration which was undertaken, (b) pay over or cause any Depositary or insurance trustee to pay over to Public Sponsor, within thirty (30) days after demand thereof, the remainder, if any insurance funds received by Private Operator prior to such termination or cancellation, and (c) pay over or cause any Depositary or insurance trustee to pay over to Public Sponsor, within thirty (30) days after receipt thereof, any insurance funds received by Private Operator or Depositary or insurance trustee subsequent to such termination or cancellation. Private Operator's obligation under this ARTICLE shall survive the expiration or earlier termination of this Agreement.

- 13.8 This Agreement shall neither be terminated by Private Operator nor affected in any manner and the Rent payable hereunder shall neither be reduced nor abated by the cessation, interruption or reduction of the operation of the Airport. Private Operator's obligation to pay Rent shall continue as though any Improvement had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind. The existence of any present or future law notwithstanding, Private Operator waives all right to quit or surrender all or any part of the Premises by reason of any casualty to the Premises.
- 13.9 If Private Operator determines, subject to the consent of Public Sponsor, that the property damaged or destroyed by casualty will not be repaired or rebuilt, then the following shall determine the allocation of the insurance proceeds between Private Operator and Public Sponsor: (1) if the property damaged or destroyed by casualty was constructed by Public Sponsor, and if Private Operator has not made substantial renovations or improvements thereto, the insurance proceeds will be payable to Public Sponsor; (2) if the property was constructed by Private Operator or Private Operator has made substantial renovations or improvements thereto, and the useful life extends beyond the Term of this Agreement, the insurance proceeds shall be apportioned pro rata between Public Sponsor and Private Operator in relation to the number of years remaining during the Term of this Agreement; and, (3) if the useful life of the

property which was constructed by Private Operator or Private Operator has made substantial renovations or improvements thereto does not extend beyond the Term of this Agreement, the insurance proceeds shall be payable to Private Operator. If any such damage exists during the last three (3) years of the Term of this Agreement, and Public Sponsor and Private Operator cannot agree whether or not to rebuild, the insurance proceeds shall be used for rebuilding, but Private Operator shall be entitled to equitable compensation from Public Sponsor for its unamortized investment in such property, renovation or improvements.

General Insurance Provisions

- 13.10 All insurance policies and endorsements required to be obtained and maintained by Private Operator pursuant to any provision of this Agreement shall comply with this Agreement, and shall be fully paid for, non-assessable and shall contain such provision and expiration dates and be in such form and amounts, and shall be issued by companies which are authorized and/or licensed to do business in Louisiana which and which are authorized to issue such policies. All insurance required by this Agreement shall be issued by companies having an A.M. Best Rating of at least A and a Financial Size Category (FSC) of at least FSC VIII, or an equivalent rating by another rating service, including ISI and otherwise as shall be approved by Public Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed. If Private Operator is unable to secure the insurance required by this Agreement from companies having the foregoing ratings, Private Operator shall secure said policies from companies having the next highest A.M. Best Rating or an equivalent rating by another rating service, including ISI and otherwise, and FSC as shall be approved by Public Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, such policies shall include only deductibles approved by Public Sponsor which approval shall not be unreasonably withheld, conditioned or delayed by Public Sponsor; and, all deductibles on all types of insurance required to be provided by Private Operator under the terms of this Agreement shall be paid by Private Operator. All losses shall be payable to Public Sponsor or Private Operator as provided in this Agreement. Private Operator shall pay all insurance premiums on all insurance policies and endorsements required to be obtained and maintained by Private Operator pursuant to the terms of this Agreement.

- 13.11 All policies referred to in this Agreement shall be for periods of not less than one (1) year. Private Operator shall provide Public Sponsor with a copy of all policies of insurance evidencing all coverage required by this Agreement prior to the Effective Date. Copies of new or renewal policies replacing any policies expiring during the Term, satisfactory to Public Sponsor, shall be delivered to Public Sponsor at least thirty (30) days before the date of expiration of such policies.
- 13.12 Private Operator may not self-insure any coverage required by this Agreement, without the consent of Public Sponsor, except for commercially reasonable deductible amounts.
- 13.13 Private Operator and Public Sponsor shall cooperate in a prompt manner in connection with the collection of any insurance monies that may be due in the event of loss, and Private Operator and Public Sponsor shall execute and deliver such proofs of loss and other instruments which may be required for the purpose of obtaining the recovery of any such insurance monies.
- 13.14 All policies of insurance procured by Private Operator shall be written as primary policies not contributing with or in excess of coverage that Public Sponsor may carry, and if in excess of insurance coverage required to be provided by Subtenants or contractors under the terms of any sublease or contract, all such policies shall become primary if such Subtenants' or contractors' coverage is invalid or inadequate. Nothing herein shall be construed as requiring Private Operator to maintain any insurance, e.g., property, general liability, worker's compensation covering its Subtenants' and contractors' property or employees; and, nothing in this ARTICLE THIRTEEN, Section 13.14 shall be construed to apply to property owned by Subtenants under subleases.
- 13.15 Private Operator shall not materially violate or permit to be materially violated any of the conditions or provisions of any policy of insurance required by this Agreement, and Private Operator shall perform and satisfy or cause to be performed and satisfied the requirements of the companies writing such policies.
- 13.16 Each policy of insurance required to be obtained by Private Operator as herein provided shall provide that such policy shall not be reduced, cancelled or allowed to lapse or be modified (other than to increase coverage), including in the case of non-payment of premium, without at least thirty (30) days prior written notice to Public Sponsor.

- 13.17 Provided that Private Operator has obtained prior written approval of Public Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed, Private Operator shall not be required to (i) insure Improvements that are obsolete or of no value to Private Operator in its operation of the Premises, and (ii) insure, at a level in excess of the Functional Replacement Cost, those Improvements that are functionally obsolete, notwithstanding the fact that such Improvement may be occupied and utilized or may be capable of being occupied and utilized. "Functional Replacement Cost" shall mean the cost to build an Improvement capable of serving the function(s) of the Improvement as and to the extent same was used immediately prior to any fire or other casualty and shall not mean or include the cost to build an Improvement to accommodate functions not utilized immediately prior to any fire or other casualty.
- 13.18 All insurance policies providing liability insurance coverage in respect of the Premises shall name Public Sponsor as an additional insured. All insurance policies providing property insurance, including flood insurance, in respect of the Premises shall name Private Operator as the named insured and Public Sponsor, as its interests may appear and/or as a loss payee.
- 13.19 Throughout the Term of this Agreement, Private Operator shall comply in all material respects with all requirements imposed by insurance carriers in connection with the development, use and/or operation of the Premises.

ARTICLE FOURTEEN

SUBORDINATION

- 14.1 To the extent permitted by Louisiana law, Public Sponsor shall be entitled to mortgage or otherwise create a security interest in or other liens or encumbrances upon or affecting its ownership (fee) interest in the Premises ("Fee Mortgage"), at any time and from time to time during the Term of this Agreement. Public Sponsor hereby agrees that in the event a mortgage, security interest, or any lien or encumbrance affects the Premises, Public Sponsor shall be obligated to obtain a non-disturbance Agreement from any mortgagee, interest holder, lien holder, etc. and Private Operator will attorn to the holder of any such Fee Mortgage or security interest. Subject to such non-disturbance Agreement, this Agreement is and shall be subject and subordinate to any such Fee Mortgage now existing or hereafter created, and to any supplements, or amendments thereof, and to any advances made on the security thereof. This provision is self operative, but upon demand, Private Operator shall execute, acknowledge, and

deliver any documents evidencing such subordination as Public Sponsor may reasonably require. Public Sponsor hereby covenants and agrees to hold Private Operator harmless from and against any and all sums payable under or in connection with any such Fee Mortgage and to indemnify Private Operator from and against any and all costs, expenses or charges in connection with such Fee Mortgage or any action brought against Private Operator with respect thereto.

ARTICLE FIFTEEN

AIRPORT AID

- 15.1 Public Sponsor and Private Operator will mutually cooperate and diligently work together in the application or request for Federal, State of Louisiana or local airport aid for the cost of runways, taxiways, terminals, master planning, other Improvements on the Premises and any other expenses which may be eligible for reimbursement under an FAA airport improvement plan or other available governmental plans. Within sixty (60) days of a request by Private Operator, (i) Public Sponsor shall apply for Federal, State of Louisiana or local airport improvement funding or (ii) Public Sponsor shall approve Private Operator's application for such funding and such approval shall not be unreasonably withheld, conditioned or delayed; provided further that if Public Sponsor does not take action on a written request for such approval within sixty (60) days of receipt of said written request by granting or denying approval, then approval shall be deemed given by Public Sponsor. Any written request for such approval by Private Operator shall include notice to Public Sponsor that approval will be deemed given unless action is taken on said written request within the time period provided in this ARTICLE. It is incumbent upon Private Operator to be aware of and anticipate various FAA funding deadlines and requirements. Pursuant to that obligation, Private Operator should submit requests to Public Sponsor with adequate lead time for Public Sponsor to perform all necessary analyses, and Public Sponsor should receive such a request from Private Operator at least sixty (60) days before any filing deadlines. Public sponsor is aware that a significant portion of the federal aid program is determined, awarded and contracted within the last sixty (60) days of the end of the federal fiscal year, with documentation arriving with little time before deadline. In the event the above approvals do not carry with them the right for the Public Sponsor to execute all necessary documentation to receive an award, the preceding

notice period is waived and Public Sponsor will take necessary actions for Private Operator to avail themselves of such funds. Private Operator in its management, operation, maintenance, and use of the Airport and any part thereof, shall, in conjunction and cooperation with Public Sponsor, use any funds acquired from Governmental Authorities for the use intended and in compliance with all Federal or State regulations, the FAA Agreements, the Assurances, the ALP, and the Master Plan. Private Operator hereby agrees that the use and operation of the Premises shall at all times be subject to, and Private Operator hereby assumes, all of the terms, conditions, and provisions of any existing and future Agreements with Governmental Authorities, including but not limited to the FAA and State Grant Agreements and Assurances.

15.2 Private Operator agrees that if the FAA or any other governmental body having jurisdiction in connection with the obligations of Public Sponsor relating to the grant of Federal or State of Louisiana funds with respect to the Premises shall make any orders or regulations, respecting the performance by Public Sponsor or Private Operator, Private Operator shall promptly comply therewith at its expense, and in addition to the foregoing, whether or not the FAA or any other governmental office or body having jurisdiction as aforesaid, specifically directs such compliance, Private Operator agrees that it will comply with such directions, orders, regulations and requirements as may be given by Public Sponsor to comply with any Grant Agreements with respect to the Premises, project applications, the Assurances set forth therein and any other Federal or State obligations or restrictions with respect thereto.

15.3 In the event that substantial repairs must be made on the Airport during the last ten years of the Term of this Agreement, not paid by insurance proceeds, the useful life of which are estimated to extend beyond the expiration of this Agreement and Federal, State and local funds are not available or provided for at least ninety (90%) percent of the total cost of such repairs, Private Operator agrees to share the cost of such repairs, in excess of that actually funded by State and Federal Aid, in proportion to the ratio that the years remaining under this Agreement bear to the estimated years of useful life of the repairs.

ARTICLE SIXTEEN

EMPLOYEES

16.1 Private Operator shall interview current Airport employees for available positions at the Airport no later than during the thirty (30) day period between the Effective Date and the

Commencement Date, and shall give such Persons due consideration for such positions, but Private Operator shall have no obligation to hire current employees. Upon expiration or earlier termination of this Agreement, Private Operator shall not interfere with any efforts by Public Sponsor to hire Private Operator's, including Affiliates of Private Operator's, then current employees with significant responsibilities for management, financing and operation at the Airport.

ARTICLE SEVENTEEN

EXISTING AGREEMENTS

- 17.1 This Agreement is entered into, and Private Operator accepts the Premises, subject to the Existing Agreements. Public Sponsor hereby assigns and transfers to Private Operator, as of the Commencement Date, all its right, title and interest in and to the Existing Agreements, together with any and all security deposits and prepaid rents thereunder to be transferred in cash (to the extent not therefore applied), if any, and Private Operator hereby assumes all obligations of Public Sponsor thereunder as if Private Operator were an original signatory thereto arising on and after the Commencement Date. Rents, taxes, and utilities and other items with respect to such Agreements which are normally prorated in commercial real estate transactions shall be prorated accordingly as of the Commencement Date. Upon expiration or earlier termination of this Agreement, Public Sponsor will have the right, but not the obligation, to assume any or all of the then Existing Agreements with respect to the Premises, unless Public Sponsor has previously agreed to attorn to the party of an Existing Agreement.
- 17.2 Public Sponsor represents that as of the Commencement Date (a) **Exhibit "H"** contains an accurate statement of all the Existing Agreements; (b) all obligations of Public Sponsor under the Existing Agreements accruing prior to the Commencement Date have been performed or will be performed prior to the Commencement Date, at Public Sponsor's expense; (c) no tenants have been granted any rent free occupancy and no tenant will have any right of set-off or counter claim, except as disclosed on **Exhibit "H"**; (d) all of the Existing Agreements are in full force and effect and are in compliance with the permitted uses of the Premises and in compliance with all governmental rules and regulations and are valid and existing; (e) no default exists except as disclosed on **Exhibit "H"**; (f) the Existing Agreements set forth in **Exhibit "H"** constitute all of the leases, permits, contracts and Agreements affecting the Premises and

no modification or amendments thereto have been entered into except as set forth herein; and, (g) Public Sponsor has the authority to assign the Existing Agreements. Private Operator shall make comparable representations to Public Sponsor upon expiration or earlier termination of the Term relative to any Existing Agreements assumed by Public Sponsor at such time as aforesaid. All rents and similar charges collected by Private Operator after the Commencement Date shall be applied to amounts due to Private Operator under Existing Agreements. All rents and similar charges collected by Public Sponsor after the Commencement Date shall be paid to Private Operator, unless such amounts are tendered to Public Sponsor as payment of sums owed to Public Sponsor. Private Operator may, but shall not be obligated to, collect rents and similar charges which are delinquent as of the Commencement Date. If Private Operator collects any of such amounts, it shall pay same to Public Sponsor.

- 17.3 Public Sponsor shall have the right to enter into leases, permits, contracts and Agreements, other than those listed on **Exhibit "H"**, and Public Sponsor shall have the right to amend or supplement any of the Existing Agreements, prior to the Commencement Date, provided that Public Sponsor obtains Private Operator's prior written approval and amends **Exhibit "H"** accordingly, which approval by Private Operator shall not be unreasonably withheld, conditioned or delayed; provided further that if Private Operator does not take action on a written request for such approval within thirty (30) days of receipt of said written request by granting or denying approval, then approval shall be deemed given by Private Operator. Any written request for such approval by Public Sponsor shall include notice to Private Operator that approval will be deemed given unless action is taken on said written request within the time period provided in this ARTICLE.
- 17.4 The assignment of Existing Agreements under this ARTICLE SEVENTEEN excludes any and all claims, rights or causes of action existing in favor of Public Sponsor against any Person or Persons, firm or corporation arising out of any of the Existing Agreements for the payment of damages, rents, fees, charges or other monies payable thereunder which are due and payable prior to the Commencement Date, or which are due and payable subsequent to the said Commencement Date but relate to activities, operations, occupancy, services, or other operations which have occurred or been performed prior to the Commencement Date but are payable thereafter. With respect to any Existing Agreements which provide for payments in

such a manner so that the precise amount due cannot be determined until the end of any fixed periods as may be specified thereunder, a proper, equitable apportionment shall be made between Private Operator and Public Sponsor as to the amounts due to Public Sponsor and Private Operator.

- 17.5 Public Sponsor shall defend, indemnify and hold harmless Private Operator, its officers, directors, employees and agents from and against all liabilities, claims, demands and lawsuits of the Parties to said Existing Agreements caused by the performance or non-performance thereof prior to the Commencement Date. The obligations of Public Sponsor under this Section shall survive the Commencement Date and the expiration or earlier termination of this Agreement.
- 17.6 Private Operator shall defend, indemnify and hold harmless Public Sponsor from and against all liabilities, claims, demands and lawsuits of the Parties to said Existing Agreements caused by the performance or non-performance thereof on and after the Commencement Date and until the termination of this Agreement. The obligations of Private Operator under this Section shall survive the expiration or earlier termination of this Agreement.

ARTICLE EIGHTEEN

REPRESENTATIONS OF THE PARTIES

- 18.1 Public Sponsor represents and warrants to Private Operator as of the date hereof the following:
- (a) Public Sponsor is the governing authority of the Orleans Levee District, which is a political subdivision of the State of Louisiana.
 - (b) Public Sponsor's undersigned President is duly authorized and empowered to enter into this Agreement by virtue of the Resolutions duly adopted by the Board of Commissioners of the Orleans Levee District and Special Airport Committee of the Board of Commissioners of the Orleans Levee District, certified copies of which are attached to this Agreement and made a part hereof and are part of **Exhibit "A."**
 - (c) As of the Commencement Date, except to the extent disclosed on **Exhibit "I"**:
 - i. Public Sponsor is the owner of the Premises in absolute ownership;
 - ii. After due inquiry, Public Sponsor knows of no matter which would adversely affect Public Sponsor's title in and to the Premises ;

- iii. Public Sponsor has full right, power and authority to lease the Premises to Private Operator for the Term hereof, to perform all of its obligations hereunder and to grant all the rights, grants and privileges granted to Private Operator hereunder;
- iv. Public Sponsor is not in default of any of the Agreements listed in **Exhibit "G", Exhibit "H"** or of any other Agreement to which it is a Party in connection with the Premises and/or its operations thereof;
- v. After due inquiry, Public Sponsor is not knowingly in violation of any law, statute, rule, building code, zoning regulation (except for any violation resulting from Public Sponsor's occupancy in the terminal building should such a violation exist), or regulation adopted or issued by any Governmental Authority having jurisdiction over the Premises and/or its operations and maintenance;
- vi. In connection with Improvements which form a part of the Premises, to the best knowledge of the appropriate staff of Public Sponsor after due inquiry, such Improvements are in material compliance with all laws, ordinances, rules and regulations of any and all Governmental Authorities having jurisdiction thereover and unless disclosed, there are no material inadequacies nor material damage to the Improvements on the Premises;
- vii. Public Sponsor has not received notice of, and is not aware of, the existence of any violation of any Federal, State or local law, regulation, ordinance or similar rule related to the Premises. The Premises to the best of Public Sponsor's knowledge and belief has not been and is not being used in violation of any Federal, State or local environmental law, ordinance or regulation;
- viii. No proceedings have been threatened, commenced, or notice received, concerning any alleged violation of any such environmental law, ordinance or regulation, as of the effective date of this Agreement;

- ix. To the best knowledge of the Public Sponsor, subject to the an environmental assessment, Public Sponsor is in compliance with all Environmental Laws and regulations;
- x. **Exhibit “J”** contains a full and complete list of all impositions, taxes, fees, licenses and permits which affect in any manner the Premises, the Airport or any portions thereof;
- xi. There is no pending or threatened litigation affecting in any manner the Premises, the Airport, or any portion thereof;
- xii. As of the Commencement Date, all of the Improvements and the Premises shall be in the same condition, ordinary wear and tear excepted, as they were on the date of execution of this Agreement; and,
- xiii. **Exhibit “H”** contains a full and complete list of all contracts, Agreements and/or indentures encumbering in any manner the Premises, the Airport or any portions thereof.

18.2 Public Sponsor shall:

- (a) make every effort to assure, to the fullest extent possible under the circumstances, an orderly transition to Private Operator of the services required under this Agreement, an orderly demobilization of its own operations, uninterrupted provision of such services until the Commencement Date and compliance with the reasonable requests and requirements of Private Operator prior to the Commencement Date.
- (b) by no later than the date of this Agreement: (i) deliver to Private Operator a copy of executed counterparts of all Subleases then in effect or related to a Subtenant then in occupancy of a part of the Premises; (ii) deliver to Private Operator all service and maintenance contracts then affecting the Premises; (iii) provide access to maintenance records, for the Premises for the past seven (7) years; (iv) provide access to all original Permits then in effect that pertain to the Premises; (v) provide access to any Certificates of Occupancy for the Improvements; (vi) provide access to all transferable warranties and guarantees then in effect which Public Sponsor has received in connection with any work or services performed on Improvements and/or Equipment; (vii) provide access

to copies of all financial reports, books and records in connection with the Premises and the operations thereof; (viii) provide access to copies of any and all other documents whatsoever relating to the Premises; and, (ix) make available for inspection and copying at Private Operator's expense any available "as-built" drawings, construction Agreements, drawings, specifications and models relating to the Improvements located on the Premises; (x) deliver to Private Operator a list of Public Sponsor's employees; (xi) deliver to Private Operator copies of all trademarks, databases, marketing plans and materials, business plans, mailing lists and all other items used in the operation of the Airport and reasonably deliverable by Public Sponsor which are not proprietary information of Public Sponsor; (xii) deliver to Private Operator on both the date of this Agreement and the Commencement Date a copy of the current rent roll and aged accounts receivable report for the Leased Premises; and, (xiii) provide by no later than the Commencement Date estoppel certificates from each tenant in form and substance reasonably acceptable to Private Operator.

18.3 Private Operator represents and warrants to Public Sponsor as of the date hereof the following:

- (a) Private Operator is a validly existing Louisiana limited liability company and is qualified to do business in the State of Louisiana and shall maintain such good standing and shall remain qualified to do business in Louisiana at all times during the Term.
- (b) Private Operator (a) has filed with the relevant FAA field offices an application for an Operating Certificate under 14 C.F.R. Part 139 no later than the date hereof, and (b) has received the certificate under 14 C.F.R. Part 139 no later than the Commencement Date.
- (c) Private Operator has the financial resources to meet its obligations under this Agreement.
- (d) Private Operator has the right, power and authority to enter into this Agreement and perform the obligations hereunder and to execute and deliver the documents referred to herein to be executed and delivered by Private Operator.

(e) Private Operator, and the individual signing this Agreement on behalf of Private Operator, each affirm under penalty of perjury that Private Operator and each Person associated with Private Operator as member, partner, director, officer or major stockholder (ten percent (10%) or more ownership):

- i. is not currently under suspension, voluntary exclusion, or determination of ineligibility by any U.S. agency;
- ii. has not been suspended, voluntarily excluded or determined ineligible by any U.S. agency within the past three (3) years; and,
- iii. has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

18.4 Private Operator has delivered to Public Sponsor a legal opinion on the date hereof, in a form acceptable to Public Sponsor.

ARTICLE NINETEEN

ASSIGNMENT, SUBLEASING AND

LEASEHOLD MORTGAGES BY PRIVATE OPERATOR

19.1 Public Sponsor and Private Operator acknowledge and agree that AAC, as the duly authorized manager of Private Operator pursuant to the terms of the limited liability company operating agreement of Private Operator, shall initially be the manager of the Airport. Private Operator shall not sell, convey, transfer or assign, by operation of law or otherwise, this Agreement or any part thereof, or any rights created thereby, nor enter into any management agreement with respect to the Premises or any part thereof, including any change in the manager of American Airports Lakefront, L.L.C., without (1) the prior written consent of Public Sponsor, which consent shall not be unreasonably withheld, conditioned or delayed, and (2) if required pursuant to 49 U.S.C. § 47134, without the prior written consent of the Secretary (as used therein). A change in control shall be deemed an assignment of this Agreement requiring Public Sponsor's consent thereto. A "change in control" shall mean the acquisition by any one or more Persons or entities of beneficial ownership of 50% or more of the outstanding shares or ownership of Private Operator, or the merger or consolidation of Private Operator with or into any other Person or entity, or any one or a series of sales or conveyances to any Person or entity of all

or substantially all of the assets of Private Operator. No assignment of this Agreement or any management agreement shall be effective unless and until (i) the approval of Public Sponsor (which shall not be unreasonably withheld, conditioned or delayed), and the FAA, if required, in writing, has been obtained, (ii) an agreement of assignment and assumption, in form and substance approved by Public Sponsor, has been fully executed by Private Operator and Private Operator's assignee and delivered to Public Sponsor, and, (iii) the Letter of Credit or other security required under the terms of this Agreement has been delivered to Public Sponsor. Public Sponsor reserves the right to impose a reasonable transfer fee equal to Public Sponsor's actual, reasonable cost to review any such assignment or management agreement, plus in the event of an assignment of this Agreement, the amount of \$50,000, adjusted for inflation, beginning in the eleventh year of this Agreement, provided that such amount shall not be due in the event of assignment of this Agreement during the first ten years of the Term of this Agreement.

- 19.2 Unless Public Sponsor specifically agrees otherwise, any such conveyance, transfer or assignment approved by Public Sponsor shall not relieve Private Operator of its obligations and responsibilities under this Agreement.
- 19.3 Private Operator shall not sublease the Premises or any part thereof, by operation of law or otherwise, without the prior written consent of Public Sponsor, which consent shall not be withheld arbitrarily or capriciously, provided that no such prior written consent shall be required with respect to Permitted Subleases. Whenever used in this Agreement, "Permitted Subleases" shall mean any Sublease to any Person, partnership, corporation or other entity, provided (a) such Sublease is for any part of the Premises to be used for aviation purposes and the expiration of the term thereof, including all extension options, is earlier than the Scheduled Expiration Date, or (b) such Sublease is for less than two (2) acres of land forming any part of the Premises to be used for other than aviation purposes not prohibited under ARTICLE FOUR, and the expiration of the term thereof including any extension options, is earlier than the Scheduled Expiration Date; or (c) such Sublease is for less than 65,000 square feet of any building or structure forming a part of the Premises to be used for other than aviation purposes not prohibited under ARTICLE FOUR and the expiration of the term thereof including any extension options is earlier than the Scheduled Expiration Date. Public Sponsor hereby agrees

that it will accept all Subleases approved by Public Sponsor and all Permitted Subleases and all of their terms and conditions upon an early termination of this Agreement or upon the suspension of this Agreement pursuant to ARTICLE TWENTY- SIX, Section 26.11. Any and all Subleases shall be expressly made subject to the conditions of this Agreement and contain a provision substantially in the following form:

“If for any reason the leasehold interest of landlord as tenant under any underlying Agreement is terminated by summary proceedings or otherwise, tenant will attorn to the lessor under such underlying Agreement and will recognize lessor as tenant’s landlord under this Sublease. Tenant agrees to execute and deliver, at any time and from time to time, upon the request of landlord or of the landlord under any such underlying Agreement, any instrument which may be necessary or appropriate to evidence such attornment and tenant hereby appoints landlord or the landlord under such underlying Agreement the attorney-in-fact, irrevocably, of tenant to execute and deliver any such instrument for and on behalf of tenant. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give tenant any right of election to terminate this Sublease or to surrender possession of the demised premises in the event such underlying Agreement terminates or any such proceeding is brought by landlord under such underlying Agreement, and agrees that this Sublease shall not be affected in any way whatsoever by any such proceeding or termination.”

- 19.4 Private Operator shall not sublease the Premises or any part thereof except in compliance with all applicable rules and regulations of the FAA and on commercially reasonable terms that would be reasonably acceptable to unrelated Parties negotiating at arms-length; the rents and other payments provided for under the Sublease are market rents, and are not pre-paid more than three (3) months in advance, nor paid disproportionately at any time during the term of the Sublease; and, no attempt has been made to avoid payment of Percentage Rent whether by minimizing Gross Income or otherwise. A violation of this covenant shall constitute an Event of Default under the terms of this Agreement.
- 19.5 Any Sublease of the Premises made by Private Operator pursuant to the terms of this Agreement shall contain a provision which requires either Private Operator as sublessor or the sublessee to assume all taxes, assessments, ground rents, water, sewer or other rents and charges, excises, tax levies, fees (including, without limitation, license, permit, inspection, authorization, and similar fees) and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the portion of the Premises subject to the Sublease or the business conducted thereon

by sublessee, including all interest and penalties thereon due to any failure in payment by sublessee. Any and all Subleases made by Private Operator shall include a notice provision that the Subleased Premises are outside flood protection of the levee system of Public Sponsor, and shall also contain a provision that upon written or oral notice to evacuate the Premises by either Private Operator or Public Sponsor said Sublessee shall immediately comply with said notice to evacuate the Premises.

- 19.6 Private Operator may at any time and from time to time, subject always to the terms and conditions of this Agreement, mortgage or otherwise hypothecate its entire interest or rights hereunder and/or its interest in any portion of the Premises and/or its interest in any one or more buildings, constructions and improvements upon the Premises now, then and thereafter existing, but may not mortgage only its rights of occupancy, use and enjoyment, subject and subordinate always to Public Sponsor's rights under the terms and conditions of this Agreement, and provided that nothing herein contained shall be held or construed in any manner to affect, diminish or destroy the lien and privilege of Public Sponsor upon such building(s), constructions or improvements for the payment of rent and the enforcement of other obligations of Private Operator under this Agreement. Any such mortgage or other hypothecation by Private Operator shall at all times be inferior and subject to the prior right, title and interest of Public Sponsor in and to the Premises, and to all of Public Sponsor's rights as set forth in this Agreement. If at any time after the execution (and recordation) of any such mortgage or security interest, the mortgagee or holder thereof shall notify Public Sponsor in writing that any such mortgage or security interest has been so given by Private Operator, and shall in such notice designate a Person or corporation domiciled in the City of New Orleans, as his or its agent or representative for the purpose of receiving copies of notices to be given pursuant to this Agreement, and Public Sponsor shall thereafter provide, in accordance with the terms of this Agreement, at the address so given, a duplicate copy of any and all notices in writing which Public Sponsor may, from time to time, serve upon Private Operator under and pursuant to the terms and conditions of this Agreement; and, unless and until such copy be so mailed to the agent or representative of such mortgagee or holder, and unless and until the expiration thereafter of the same period of grace which is applicable to the notice given to Private Operator, no action shall be taken by Public Sponsor which would be prejudicial to such

mortgagee or holder thereunder. Such mortgagee or holder may, at its or his option, at any time before the rights of Private Operator shall have been forfeited to Public Sponsor as herein provided, pay any of the Rent or other charges due hereunder or effect any insurance, or pay any taxes and assessments, or make any repairs or improvements, or make any deposits or do any other act or thing required of Private Operator by the terms of this Agreement, or which may be necessary or proper to be done in the observance of the covenants and conditions of this Agreement, so as to prevent the forfeiture of this Agreement. All payments so made and all things so done and performed by any such mortgagee or holder shall be as effective to prevent a forfeiture of the rights of Private Operator hereunder as the same would have been if done and performed by Private Operator.

- 19.7 Private Operator may enter into a Lease Mortgage only in an arms-length transaction. Private Operator shall, prior to entering into a Lease Mortgage, and as a condition to the effectiveness thereof, notify Public Sponsor of the proposed Lease Mortgage and submit to Public Sponsor a copy of the proposed Lease Mortgage, note and all other related documents, containing, *inter alia*, the name and address of the Lease Mortgagee and an effective date not earlier than thirty (30) days nor later than one hundred twenty (120) days after the date of such notice to Public Sponsor. Each Lease Mortgage shall expressly state that it is subject and subordinate to this Agreement. In the event that the Lease Mortgagee requires immaterial revisions to this Agreement which are reasonable and customary in the lending industry for lease mortgages, then Public Sponsor shall not unreasonably withhold, condition or delay its consent to such immaterial revisions.
- 19.8 The entire amount secured by a Lease Mortgage shall only be either (1) paid to a Depositary and disbursed to pay for capital improvements and such capital improvements shall be made in accordance with the terms of this Agreement or (2) paid to Private Operator to recover the cost of and return on capital investments made at the Premises. A violation of these conditions shall constitute an Event of Default under this Agreement. The transfer of Private Operator's interest in this Agreement (i) through the foreclosure of a Lease Mortgage or (ii) through a transfer in lieu of foreclosure or (iii) to a purchaser of Private Operator's interest in this Agreement following a foreclosure or a transfer in lieu of foreclosure shall not be subject to the terms above regarding assignment and all other relevant provisions of this ARTICLE and Public

Sponsor's consent shall not be required, provided such transfer shall be subject to FAA's right of approval, if required, and any transferee shall acquire all of the Private Operator's rights, duties and obligations under this Agreement, including the obligation to pay Rent.

- 19.9 No Sublease or assignment shall be permitted under this Agreement, and any such Sublease assignment or transfer shall be void and of no force and effect, unless the proposed Subtenant, assignee, or transferee and all of its officers, directors, general partners and management employees and all Persons having an equity or beneficial interest (whether by loan thereto, stock ownership therein, or any other form of financial interest) of ten percent (10%) or more in such Persons shall have a good reputation for honesty, integrity, good faith, fair dealing and financial responsibility and none of the foregoing Persons, (i) shall have been convicted of a crime in any jurisdiction, (ii) shall have been suspended or otherwise disqualified from entering into contracts with any Governmental Authority, (iii) shall be the subject of any pending action or proceeding to enforce rights of the State of Louisiana or any subdivision thereof, or any agency, department, public authority or public benefit corporation thereof, which action or proceeding is based on allegations of fraud or misrepresentation, or (iv) shall have received any notice of a default which remains uncured by the State of Louisiana or any subdivision thereof, or any agency, department, public authority or any public benefit corporation thereof.
- 19.10 Notwithstanding anything to the contrary in this Agreement (whether or not Public Sponsor's consent shall have been given or not required pursuant to this Article), if the consent of the FAA, the Secretary or any other Governmental Authority is required to effect any assignment of this Agreement or any subletting of all or any portion of the Premises, or any mortgaging of Private Operator's interest in this Agreement, or any mortgaging of a Subtenant's interest in a Sublease, such assignment, subletting or mortgaging shall be void and of no force or effect unless such consent(s) shall have been obtained by Private Operator.
- 19.11 To secure the prompt and full payment by Private Operator of the Rent and faithful performance by Private Operator of all the other terms and conditions herein contained on its part to be kept and performed, Private Operator hereby conditionally assigns unto Public Sponsor all of Private Operator's right, title and interest in and to all Subleases and hereby confers upon Public Sponsor, its agents and representatives, a right of entry in, and sufficient possession of the Premises to permit and insure the preservation of the Premises and the

collection by Public Sponsor of the rentals and other sums payable under the Subleases. Private Operator agrees to execute and deliver to Public Sponsor, upon Public Sponsor's request, a conditional or collateral assignment of leases and rents of the Subleases, to be recorded in the conveyance records of Orleans Parish, in accordance with and as authorized under Louisiana Revised Statutes Title 9, Article 4401. The assignment shall be subject to the right of the Private Operator to exercise all rights under the Subleases and to collect the rentals and other sums as they become due thereunder so long as (a) no Event of Default shall have occurred, or (b) this Agreement and the Term shall not have been cancelled or terminated pursuant to the terms, covenants and conditions hereof, or (c) no repossession occurs under a warrant of possession or other re-entry or repossession by Public Sponsor under the provisions hereof or applicable law. This assignment shall only become absolute and enforceable by Public Sponsor for the reasons set forth in the preceding sentence of this ARTICLE, and shall become operative as to any sublessee only after written notice to such sublessee and to any Lease Mortgagee by Public Sponsor that such assignment has so become absolute. This assignment of leases and rents shall include all or any portion of Private Operator's presently existing and future leases and rents pertaining to Subleases relating to the Premises. If necessary to perfect an assignment and create a security interest in any Sublease, Private Operator agrees to execute upon the request of Public Sponsor for filing a Louisiana UCC-1 Financing Statement.

- 19.12 Nothing in this Agreement shall preclude Private Operator from pledging or granting a security interest in the net income it derives from the Premises (net of all operating and maintenance expenses and Rent) under this Agreement, for any purpose, provided that no other interest in this Agreement is mortgaged except in accordance with the terms of this ARTICLE NINETEEN applicable to a Lease Mortgage.

ARTICLE TWENTY

AIRPORT FEES AND CHARGES

- 20.1 During the Term of this Agreement, Private Operator shall have the right to increase all landing, rental, parking, or any other fees and/or charges imposed at the Airport, subject to the requirements and limitations provided under 49 U.S.C. §47134(c)(4) & (5). It is specifically understood and agreed that Private Operator derives revenues through fees and charges imposed at the Airport. Accordingly, it shall not be unreasonable for Private Operator to

increase fees and charges periodically to the extent permitted by applicable laws and regulations to generate more revenues.

- 20.2 Prior to any such increase, Private Operator shall submit to Public Sponsor an analysis of the landing, rental, parking or other fees/charges in effect or proposed to go into effect compared with other Airports having a similar size.
- 20.3 Private Operator during the Term shall have the right to collect all landing, rental, parking or other fees and charges and shall be entitled to the revenue therefrom that Public Sponsor could have imposed at the Premises during the Term of this Agreement.
- 20.4 All utility charges payable to Private Operator by tenants and other users may be based on the actual cost of such utility service to Private Operator, plus a reasonable administrative charge for billing and collection.
- 20.5 Notwithstanding anything hereinabove to the contrary, Private Operator shall honor and comply with all Existing Agreements and contracts of Public Sponsor at the Airport.

ARTICLE TWENTY-ONE

BUSINESS DEVELOPMENT, ADVERTISING AND RECORDS

- 21.1 In connection with its operation and use of the Premises, Private Operator shall:
- a. Take all reasonable measures to maintain, develop, market, advertise and increase the business conducted by it hereunder on the Premises;
 - b. Expend on a yearly basis during the Term of this Agreement one-half of one (0.5%) percent of annual Gross Income on marketing and advertising of the business conducted by it hereunder on the Premises; and,
 - ii Set up and thereafter continually maintain during the Term of this Agreement, a system of books, records and accounts as may be adequate and appropriate for the maintenance of the system of books, records and accounts set forth in ARTICLE THIRTY-NINE.

ARTICLE TWENTY-TWO

RIGHTS AND OBLIGATIONS OF PUBLIC SPONSOR

- 22.1 Public Sponsor, by its officers, employees, agents and representatives, shall have the right at all times upon forty-eight (48) hours written notice, except in cases of emergency, in which case no notice shall be necessary, to enter upon the Premises for the purpose of inspection of

same, for observing the performance by Private Operator of its obligations under this Agreement, and for doing any act or thing which Public Sponsor may be obligated or have the right to do under this Agreement, provided that such right shall be executed in such manner as not to interfere with Private Operator or its interest in the Premises in the conduct of its business.

22.2 Public Sponsor shall retain under its exclusive control and jurisdiction all aspects of its authority to control and prevent flooding in the City of New Orleans. Private Operator acknowledges that the Airport is not within the flood protection system of the City of New Orleans ; and, Public Sponsor shall at all times have access to the Premises and shall retain under its direct control all aspects of the flood protection system administered by Public Sponsor, including the drainage system located on and floodgates adjacent to the Premises. Private Operator agrees to make available all facilities on the Premises to Public Sponsor for operation, maintenance and control of any flood protection systems located on or adjacent to the Premises, including the drainage system on the Premises, and acknowledges the right of Public Sponsor to open and close floodgates and said drainage system in its sole discretion in the interest of public safety. Private Operator releases Public Sponsor from any and all liability for injury or damages resulting from the actions taken by Public Sponsor in furtherance of its flood protection obligations.

22.3 Private Operator agrees and acknowledges Public Sponsor also shall retain under its control the following functions: final assurance of FAA/AIP Regulatory and Grant Assurance Compliance; enforcement of all of the required terms for the Airport's successful participation in the FAA Privatization Pilot Program; issuance of indebtedness by Public Sponsor; and, Wetlands and Environmental Mitigation Policy.

22.4 Public Sponsor retains its duties under 49 U.S.C. §47107(a)(7), (9) and (10), *inter alia*, and through such obligation agrees to use its Best Efforts to assist Private Operator in such future Federal, State and local proceedings, (i) to operate the Airport whenever possible subject to such exigencies such as floods, hurricanes and other climatic conditions, (ii) to protect against incursions of the existing and future instrument and visual operations at the Airport, (iii) to protect against the adoption of local zoning laws, ordinances or actions that may restrict the use of the Airport and are incompatible with normal Airport operations, and, (iv) to assist in

applications under the National Environmental Policy Act, the Clean Air Act, Clear Water Act, other Federal environmental statutes and all State of Louisiana or local environmental statutes consistent with the approved Airport Master Plan. Public Sponsor recognizes that these obligations may require its staff to work with Private Operator to meet the burdens imposed upon the prosecutions of such applications and to provide support in any ancillary legislative reviews.

- 22.5 In the event that Private Operator reasonably requires the reclamation of water bottoms of Lake Pontchartrain in connection with the development of the Premises, then Public Sponsor shall utilize its powers and authority, at the sole expense of Private Operator, to reclaim such portions of said water bottoms as are reasonably requested by Private Operator. Further, in the event that it is required that any property outside of the Premises must be acquired in order to comply with the Master Plan or with any FAA or other governmental requirements, then Public Sponsor shall use its powers and authority, at the sole expense of Private Operator, in order to cause the expropriation of such property.

ARTICLE TWENTY-THREE

RETURN OF PREMISES

- 23.1 Private Operator agrees to yield and deliver to Public Sponsor possession of the Premises together with possession and ownership of all Improvements and other installations thereon constructed by Private Operator, without payment of compensation of any kind to Private Operator by Public Sponsor, on the day of termination of this Agreement, whether by expiration or otherwise, promptly and in reasonably good condition and repair (except that the obligation that the Improvements and other installations must be in reasonably good condition and repair shall not apply to those portions of the Premises, Improvements and other installations thereon which Private Operator is not required to repair, restore or replace under the terms of this Agreement), subject to reasonable wear and tear, free and clear of all liens and encumbrances made by or against Private Operator on its lease interest in the Premises, and free and clear of all lettings, occupancies and encumbrances, other than Permitted and/or approved Subleases and those created by or hereafter consented to by Public Sponsor. Private Operator hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date.

- 23.2 Private Operator will make every effort to assure, to the fullest extent possible under the circumstances, an orderly transition to another provider of the services required under this Agreement if any, an orderly demobilization of its own operations, uninterrupted provision of such services during any transition period and compliance with the reasonable requests and requirements of Public Sponsor in connection with such expiration or earlier termination.
- 23.3 On the last day of the Term or upon any earlier termination of the Agreement, or upon a re-entry by Public Sponsor upon the Premises as authorized under this Agreement, Private Operator shall deliver to Public Sponsor, (a) executed counterparts of all Subleases then in effect or related to a Subtenant then in occupancy of a part of the Premises, (b) all service and maintenance contracts then affecting the Premises, (c) maintenance records for the Premises from either the Commencement Date or for the past six (6) accounting years, whichever is shorter, (d) a list of Private Operator's employees employed at the Premises, (e) all original Permits then in effect that pertain to the Premises, (f) permanent or temporary Certificates of Occupancy then in effect for the Improvements, (g) all transferable warranties and guarantees then in effect which Private Operator has received in connection with any work or services performed or Equipment, (h) all financial reports, books, and records required under this Agreement, and (i) any and all other documents (originals or certified copies) whatsoever relating to the Premises, together with a duly executed assignment thereof to Public Sponsor.
- 23.4 All plans, drawings, specifications and models prepared in connection with construction of Improvements at the Premises and in Private Operator's possession, all "as-built" drawings, and the construction Agreements then in effect or containing transferable warranties then in effect, shall become the sole and absolute property of Public Sponsor upon the Scheduled Expiration Date or any earlier termination of this Agreement to the extent that they are transferable. Private Operator shall deliver to Public Sponsor all such plans, drawings, specifications and models, all such as-built drawings and all such construction Agreements for all construction at the Premises, promptly upon the Scheduled Expiration Date or any earlier termination of this Agreement or re-entry by Public Sponsor as authorized under this Agreement.
- 23.5 Any personal (movable) property of Private Operator or of any Subtenant which shall remain on the Premises for thirty (30) days after the termination of this Agreement and after Private Operator or such Subtenant vacates the Premises, may, at the option of Public Sponsor, be

deemed to have been abandoned by Private Operator or such Subtenant and either may be retained by Public Sponsor as its property or be disposed of, without accountability, in such manner as Public Sponsor may see fit, at Private Operator's cost and expense. Public Sponsor shall not be responsible for any loss or damage occurring to any such property owned by Private Operator or any Subtenant.

- 23.6 With respect to all Subleases, licenses, concessions, permits and other Agreements affecting the Premises and in effect on the Scheduled Expiration Date, or any earlier termination date, that provide for payments in such a manner so that the precise amount due cannot be determined until the end of any fixed periods as may be specified thereunder, a proper, equitable apportionment shall be made between Private Operator and Public Sponsor as promptly as reasonably possible after the Scheduled Expiration Date or any earlier termination date as to the amounts due to Public Sponsor and Private Operator.
- 23.7 In the event that Private Operator decides to sell the Equipment and other personal property owned by Private Operator and used in the operation of the Premises at the expiration or earlier termination of this Agreement, Private Operator grants Public Sponsor a right of first refusal to purchase said Equipment, to the extent allowed by law, under the same terms and conditions offered by a third party that are acceptable to Private Operator.
- 23.8 This Article shall survive the expiration or any earlier termination of this Agreement.

ARTICLE TWENTY-FOUR

GOVERNMENTAL REQUIREMENTS

- 24.1 Public Sponsor and Private Operator shall jointly and promptly file, and diligently prosecute, the required Application for Exemptions under 49 U.S.C. § 47134(b). Public Sponsor and Private Operator shall use their Best Efforts to obtain approval of the Application for Exemptions under 49 U.S.C. § 47134(b).
- 24.2 Upon the Commencement Date, Private Operator shall have obtained, or cause to be obtained, from all Governmental Authorities having jurisdiction, at its sole cost, all applicable licenses, certificates, Permits or other authorization and any and all renewals thereof, and shall observe, comply with, obey and execute the provisions of any and all present and future governmental laws, rules, regulations, orders and ordinances which pertain, apply to or affect the operation, use and maintenance of the Premises, or any part thereof, or any activity conducted thereon;

provided, however, that the foregoing shall not require Private Operator to secure any such license, certificate, Permit or authorization, or to comply with any law, rule, regulation, order or ordinance if the activity which is the subject thereof or to which it pertains, is not undertaken or is discontinued, and such omission or discontinuance of any such activity does not contravene the obligations of Private Operator under this Agreement; and provided, further, Public Sponsor shall assist and cooperate with Private Operator to permit compliance with the foregoing, and if any license or Permit is required to be issued in the name of Public Sponsor because it is the Premises owner, Public Sponsor shall timely apply for said license or Permit upon written request of Private Operator, and Private Operator shall pay any costs for said license or Permit. Without limitation of the foregoing, Private Operator shall be responsible, at its sole cost, for compliance with the Americans With Disabilities Act of 1990 (as amended) and regulations thereunder ("ADA").

- 24.3 Private Operator shall have the right to contest, by appropriate legal proceedings, in the name of Private Operator or Public Sponsor or both, without cost or expense to Public Sponsor, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature herein referred to, and if by the terms of any such law, ordinance, order, rule, regulation or requirement compliance therewith pending the prosecution of any such proceeding may legally be held in abeyance without the incurrence of a lien, charge or liability of any kind against the Premises or Private Operator and without subjecting Private Operator or Public Sponsor to any liability, civil or criminal, of whatsoever nature, for failure so to comply therewith, Private Operator may postpone compliance therewith until the final determination of any proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch.

ARTICLE TWENTY-FIVE

NON-WAIVER PROVISION

- 25.1 The failure by either Party to exercise any right or rights accruing to it by virtue of the breach of any covenant, condition or agreement herein by the other Party shall not operate as a waiver of the exercise of such right or rights in the event of any subsequent breach by such other Party, nor shall such other Party be relieved from its obligations under the terms hereof.

ARTICLE TWENTY-SIX

DEFAULT BY PRIVATE OPERATOR

26.1 Public Sponsor shall have the right to terminate this Agreement, and/or seek such other legal and equitable remedies as may be available in accordance with applicable law or under the provisions of this ARTICLE, and/or immediately re-enter and take possession of the Premises and take over the operation(s) of the Airport, if any one or more of the following events shall occur ("Events of Default"):

- (a) Private Operator breaches any of its obligations hereunder, other than the payment of Rent, including but not limited to the failure of Private Operator to provide any report, document or program required by this Agreement, subject to the requirement that Public Sponsor must provide written notice to Private Operator of its intention to terminate this Agreement and Private Operator shall have thirty (30) days (or if Private Operator is diligently proceeding to cure the same and such cure reasonably requires additional time, such additional time as may be required from the receipt of such notice to cure the Event of Default set forth in such notice. In the event Private Operator does not cure the Event of Default set forth in the notice to Private Operator, Public Sponsor may terminate this Agreement and/or seek such other relief as provided under applicable law or in this Agreement. The obligation of Public Sponsor to provide written notice and the right of Private Operator to cure a breach within thirty (30) days (as well as the additional time if Private Sponsor is proceeding diligently or within such longer or shorter time as provided in this Agreement) all as specified above shall apply to any breaches and defaults specified herein, except those defaults specified in Subsections (c) and (f) of this ARTICLE;
- (b) Private Operator fails to pay any quarterly installment of the Rent or to pay any Percentage Rent when due or to make any other payment required hereunder to Public Sponsor for a period of ten (10) days following the receipt of written notice of such failure. However, Public Sponsor shall only be required to issue such notice once within any consecutive twelve (12) month period;

- (c) Private Operator voluntarily ceases the operation of the Airport, or any material part thereof, except as necessary (i) for repairs and maintenance or (ii) as a result of damage or destruction, condemnation or Unavoidable Delays;
- (d) Any representation made by Private Operator under or in connection with this Agreement or any document or Agreement in connection therewith proves to have been false or misleading in any material respect as of the date made or deemed made and causes damage to Public Sponsor;
- (e) Private Operator assigns this Agreement or any of its rights and obligations hereunder or enters into a Sublease of any portion of the Premises in violation of the terms and conditions of this Agreement;
- (f) Any act(s) of Private Operator or failure(s) of Private Operator to act that causes the exemptions obtained pursuant to 49 U.S.C. § 47134 to be revoked by the FAA or no longer available or materially restricted;
- (g) If Private Operator shall admit, in writing, that it is unable to pay its debts as such become due;
- (h) If Private Operator shall make an assignment for the benefit of creditors;
- (i) If Private Operator becomes insolvent or seeks or shall file a voluntary petition under Title 11 of the U.S. Code, or if such a petition is filed against it and an order for relief is entered and the proceedings are not dismissed within a period of ninety (90) days, or if Private Operator shall file any petition or answer or becomes subject to any bankruptcy proceeding seeking, consenting to or acquiescing in a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future U. S. Bankruptcy Code, or future applicable Federal, State of Louisiana or other statute or law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of all or any substantial properties of Private Operator or of the Premises or any interest therein of Private Operator or if Private Operator shall take any corporate action in furtherance of any action described in this ARTICLE;

- (j) If a levy under execution or attachment shall be made against the Premises or Private Operator's interest therein and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of ninety (90) days or;
- (k) If Private Operator violates the provisions of ARTICLE FOUR regarding use of the Premises.

26.2 If this Agreement shall be terminated as provided herein or Private Operator shall be dispossessed by summary proceedings or otherwise as provided herein, then:

- (a) Private Operator shall pay to Public Sponsor all Rent payable by Private Operator under this Agreement to the date upon which this Agreement and the Term shall have been terminated and come to an end or the date of re-entry upon the Premises by Public Sponsor, as the case may be;
- (b) Public Sponsor may take over the operations of the Premises, complete all construction required to be performed by Private Operator hereunder and may repair and alter the Premises in such manner as Public Sponsor may deem necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depositary pursuant to this Agreement and by Public Sponsor under the Letter of Credit up to the amount due to Public Sponsor pursuant to the terms of this Agreement) without relieving Private Operator of any liability under this Agreement or otherwise affecting any such liability, and/or let or relet the Premises for the whole or any part of the remainder of the Term or for a longer period, in Public Sponsor's name or as agent of Private Operator, and out of any rent and other sums collected or received as a result of such reletting Public Sponsor shall: (i) first, pay to itself the reasonable cost and expense of terminating this Agreement, re-entering, retaking, repossessing, completing construction and repairing or altering the Premises, or any part thereof, and the reasonable cost and expense of removing all Persons and property therefrom, including in such costs brokerage commissions, legal expenses and attorney's fees and disbursements, (ii) second, pay to itself the reasonable costs and expenses sustained in securing any new Private Operator, including in such costs

brokerage commissions, legal expenses and attorney's fees and disbursements and other reasonable expenses of preparing the Premises for reletting, and (iii) third, pay to itself any balance remaining on account of the liability of Private Operator to Public Sponsor. Public Sponsor in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Private Operator of any liability under this Agreement or to otherwise affect any such liability; and

- (c) In the event that Public Sponsor does not relet the entire Premises and replace Private Operator or enter into an operations and management agreement with an operator for the entire Premises within one year of the termination of this Agreement due to Private Operator's default, Private Operator shall not be liable for any damages to Public Sponsor. If there is a reletting and replacement of Private Operator, then Private Operator shall be liable for and shall pay to Public Sponsor, as damages, any deficiency (hereinafter referred to as the "Deficiency") between the Rent (including Impositions and Taxes) reserved in this Agreement for the period which otherwise would have constituted the unexpired portion of the Term and the amount, if any, of rents collected under any reletting the Premises for any part of such period (first deducting from the rents collected under any such reletting all of the payments owed to Public Sponsor); any such Deficiency shall be paid at Public Sponsor's option (i) in installments by Private Operator on the days specified in this Agreement for payment of installments of Rent, and Public Sponsor shall be entitled to recover from Private Operator each Deficiency installment as the same shall arise, and no suit to collect the amount of the Deficiency for any installment period shall prejudice Public Sponsor's right to collect the Deficiency for any subsequent installment period by a similar proceeding or, (ii) in a lump-sum payment of the amount by which the Rent (including Impositions and Taxes) reserved in this Agreement for the period which otherwise would have constituted the unexpired portion of the Term exceeds the fair and reasonable rental value of the Premises for such period, discounted to present

value at the Prime Rate at the Agreement termination date, less the aggregate amount of Deficiencies theretofore collected by Public Sponsor pursuant to the provisions of this ARTICLE. In calculating Percentage Rent from the date of such termination until the Scheduled Expiration Date, Gross Income shall be deemed to be the Gross Income of the last Lease Year immediately preceding such date of termination, as Adjusted for Inflation.

- 26.3 Except as otherwise stated herein, no termination of this Agreement pursuant to this ARTICLE TWENTY-SIX or taking possession of or reletting the Premises, or engaging an Operator pursuant to this ARTICLE, shall relieve Private Operator of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting. To the extent not prohibited by law, Private Operator hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this ARTICLE. Private Operator shall execute, acknowledge and deliver any instruments which Public Sponsor may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release. One or more suits for the recovery of damages, or for a sum equal to any installment of Rent payable hereunder or any Deficiencies or other sums payable by Private Operator to Public Sponsor pursuant to this ARTICLE, may be brought by Public Sponsor from time to time at Public Sponsor's election, and nothing herein shall require Public Sponsor to await the date whereon this Agreement or the Term would have expired had there been no Event of Default by Private Operator and termination.
- 26.4 Nothing contained in this ARTICLE shall limit or prejudice the right of Public Sponsor to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by applicable statute or rule of law in such proceeding and in effect at the time when such damages are to be proved, whether or not such amount shall be greater than, equal to or less than the amount of the damages referred to in any of the preceding Section of this ARTICLE.
- 26.5 No receipt or acceptance of moneys by Public Sponsor from Private Operator after the termination of this Agreement or after the giving of any notice of the termination of this Agreement, shall reinstate, continue or extend the Term or affect any notice theretofore given

to Private Operator, or operate as a waiver of the right of Public Sponsor to enforce the payment of Rent payable by Private Operator hereunder or thereafter falling due, or operate as a waiver of the right of Public Sponsor to recover possession of the Premises by proper remedy, except as herein otherwise expressly provided. After five (5) days following a final non-appealable order or judgment for the possession of the Premises, Public Sponsor may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and operation of the Premises or, at the election of Public Sponsor, on account of Private Operator's liability hereunder.

- 26.6 In the event of any breach or threatened breach by Private Operator of any of the covenants, Agreements, terms or conditions in this Agreement, Public Sponsor may bring a civil action to enjoin such breach or threatened breach and may invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies provided for in this Agreement.
- 26.7 Private Operator acknowledges and agrees that the Defaults set forth in Paragraph 26.1(g)-(j) are not curable, that this Agreement is not assumable and/or assignable pursuant to Title 11 U.S.C. § 365 (as the same may be amended) without the express written consent of Public Sponsor. Private Operator further acknowledges that this Agreement is an important public Agreement that cannot be assumed or assigned pursuant to 11 U.S.C. § 365. Private Operator also acknowledges and agrees that the occurrence of any Event of Default set forth in Paragraph 26.1(g)-(j) jeopardizes the continuous, uninterrupted, safe use of the Airport and the health, safety and welfare of the public and other users of the Airport and that upon any such occurrence Public Sponsor and/or the FAA, as Governmental Authorities exercising their police or regulatory powers, are authorized to immediately take possession and control of the Premises and take any action necessary to assure the continuous, uninterrupted safe operation of the Airport, including, the exercise of any or all of Public Sponsor's rights under this Agreement.
- 26.8 In the event of the bankruptcy of Private Operator and in the event it is determined by a Bankruptcy Court that this Agreement is not exempt from the Automatic Stay Provisions under 11 U.S.C. § 362 (b) (4), Private Operator hereby consents to and agrees to assist Public

Sponsor in seeking the lifting of the automatic stay by Public Sponsor in any bankruptcy proceeding in which Private Operator might be involved to permit Public Sponsor to exercise any rights available under this Agreement.

- 26.9 Nothing contained in this ARTICLE shall limit or prejudice the right of Public Sponsor to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by applicable statute or rule of law in such proceeding and in effect at the time for such damages referred to in any ARTICLE of this Agreement recoverable under law.
- 26.10 In the event that an order for relief is entered and a stay of proceedings or other acts should become effective in favor of Private Operator or Private Operator's interest in this Agreement in any proceeding commenced by or against Private Operator under the present or any future U.S. Bankruptcy Code or any other present or future applicable U.S., or other statute or law regarding bankruptcy, insolvency, receivership, reorganization or dissolution proceedings, Public Sponsor may invoke any and all rights and remedies available to it under such bankruptcy code, statute, law or this Agreement, including, such rights and remedies as may be necessary to adequately assure the complete and continuous future performance of Private Operator's obligations under this Agreement. Adequate protection of Public Sponsor's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Private Operator's obligations under this Agreement, shall include the following requirements:
- (a) that Private Operator shall comply with all of its obligations under this Agreement;
 - (b) that Private Operator shall pay to Public Sponsor, on the first day of each quarter occurring subsequent to the entry of such order, or on the effective date of such stay, a sum equal to the aggregate Rent payable for such period;
 - (c) that Private Operator shall continue to use the Premises in the manner required by this Agreement;
 - (d) that Public Sponsor shall be permitted to supervise the performance of Private Operator's obligations under this Agreement;

- (e) that Private Operator shall hire, at its sole cost and expense, such security personnel as may be necessary to insure the adequate protection and security of the Premises;
- (f) that Private Operator shall pay to Public Sponsor within thirty (30) days after entry of such order or the effective date of such stay, as partial adequate protection against future diminution in value of the Premises and adequate assurance of the complete and continuous future performance of Private Operator's obligations under this Agreement, a security deposit as may be required by law or ordered by the court;
- (g) that Private Operator has and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Public Sponsor that sufficient funds will be available to fulfill the obligations of Private Operator under this Agreement;
- (h) that Public Sponsor be granted a security interest acceptable to Public Sponsor in property of Private Operator, other than property of any of Private Operator's officers, directors, shareholders, employees, Affiliates or partners, to secure the performance of Private Operator's obligations under this Agreement; and
- (i) that if Private Operator's bankruptcy trustee, Private Operator or Private Operator as debtor-in-possession is permitted to assume this Agreement and proposes to assign the same, pursuant to Title 11 U.S.C. §365, as the same may be amended (notwithstanding the prohibition set forth in this Agreement to assumption and assignment of same) to any Person who shall have made a bona fide offer to accept an assignment of this Agreement on terms acceptable to the trustee, Private Operator or Private Operator as debtor-in-possession, then notice of such proposed assignment, setting forth (i) the name and address of such Person, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided Public Sponsor to assure such Person's future performance under the Agreement, including, the assurances referred to in Title 11 U.S.C. §365(b)(1) (as the same may be amended), shall be given to

Public Sponsor by the trustee, Private Operator or Private Operator as debtor-in-possession no later than twenty (20) days after receipt by the trustee, Private Operator or Private Operator as debtor-in-possession of such offer, but in any event not later than ten (10) days prior to the date that the trustee, Private Operator or Private Operator as debtor-in-possession shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Public Sponsor thereupon shall have the right to be exercised by notice to the trustee or Private Operator or Private Operator as debtor-in-possession given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Agreement upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such Person, less any brokerage commissions which may be payable out of the consideration to be paid by such Person for the assignment of this Agreement.

- 26.11 In addition to the other rights and remedies available to Public Sponsor under this Agreement, Public Sponsor shall have the right, at any time that Private Operator is generally not paying its debts as same become due, unless such debts are the subject of a bona fide dispute, or if Private Operator acknowledges its insolvency, and Public Sponsor is reasonably concerned about Private Operator's financial solvency and is acting in good faith and in the valid and reasonable exercise of Public Sponsor's obligation to protect the health, welfare, and safety of the citizens of the State of Louisiana, to suspend for up to twenty-four (24) months, without terminating this Agreement or repossessing the Premises, any and all rights of Private Operator to re-enter the Premises and use and operate the Premises, and during the period of such suspension, Public Sponsor may enter and use and operate the Premises or engage an operator to use and operate the Premises during the period of such suspension. Private Operator shall vacate the Premises within seven (7) days after any notice from Public Sponsor requiring Private Operator to do so in accordance with the exercise of Public Sponsor's rights under this Section. Public Sponsor, and/or any operator acting on Public Sponsor's behalf, shall collect all Gross Income derived from the Premises during the period of such suspension. Public Sponsor acting in good faith and in the valid and reasonable exercise of Public Sponsor's

obligation to protect the health, welfare, and safety of the citizens of the State of Louisiana may extend such suspension in accordance with this ARTICLE for one additional periods of up to twenty-four (24) months each as necessary in connection with such obligation of Public Sponsor. At any time during any such suspension, Private Operator shall have the right to dispute the basis of the suspension, to prove its compliance with the terms of this Agreement, and to thereby terminate the suspension. Public Sponsor's entry onto the Premises will not cause a termination of any Subleases of the Premises and will not disturb any Subtenants of the Premises by reason of such entry. All Gross Income in excess of the costs of operating the Premises (including the payment of Rent and all Impositions owed by Private Operator) and Public Sponsor's reasonable costs (including, Public Sponsor's reasonable attorney's fees and disbursements and court costs) incurred in the pursuit and enforcement of its rights and remedies hereunder, including the pursuit and enforcement of such rights and remedies in any bankruptcy proceeding shall be paid to Private Operator on an annual basis. In connection with any such suspension, Private Operator shall permit and assist, and not prevent or limit, the employment of all non-managerial employees by Public Sponsor or any operator in connection with the operation of the Premises by Public Sponsor or any operator during such suspension. Upon Public Sponsor's request, Private Operator promptly shall deliver to Public Sponsor or any operator all payroll and other employment records in the possession or control of Private Operator with respect to such employees. Provided that Private Operator cooperates with Public Sponsor in such manner, Private Operator shall not be liable for the failure of any employees to continue their employment at the Premises.

- 26.12 If an Event of Default is occurring, or if Private Operator is in Default and such Default creates an emergency situation, Public Sponsor, without waiving or releasing Private Operator from any obligation of Private Operator contained in this Agreement, may (but shall be under no obligation to) perform such obligation on Private Operator's behalf. Any reservation of a right by Public Sponsor to enter upon the Premises and to make or perform any repairs, alterations, restoration or other work in, to, or about the Premises which is Private Operator's obligation pursuant to this Agreement, shall not be deemed to: (i) impose any obligation on Public Sponsor to do so; (ii) render Public Sponsor liable to Private Operator or any third party for

the failure to do so; or (iii) relieve Private Operator from any obligation to indemnify Public Sponsor as otherwise provided in this Agreement.

- 26.13 Nothing in this Agreement shall impose a duty upon the part of Public Sponsor to do any work required to be performed by Private Operator hereunder. The performance of any such work by Public Sponsor shall not constitute a waiver of Private Operator's default in failing to perform the same.
- 26.14 All reasonable sums paid by Public Sponsor and all third party costs and expenses reasonably incurred by Public Sponsor in connection with its performance of an obligation pursuant to this ARTICLE, together with interest thereon from the respective dates of Public Sponsor's making of each such payment or incurring of each such sum, cost, expense, charge, payment or deposit until the date of actual repayment to Public Sponsor with such interest shall be paid by Private Operator to Public Sponsor upon demand and shall constitute Additional Rent under this Agreement. Any payment or performance by Public Sponsor pursuant to this ARTICLE shall not be or be deemed to be a waiver or release of any breach or Default of Private Operator with respect thereto or of the right of Public Sponsor to terminate this Agreement, institute summary proceedings or take such other action as may be permissible hereunder if an Event of Default by Private Operator shall have occurred. Damages incurred by reason of Private Operator's failure to provide and keep insurance in force in accordance with this Agreement shall not be limited to the amount of the insurance premium or premiums not paid, and Public Sponsor also may recover, as damages for such breach, the uninsured amount of any loss and damage and the costs and expenses of suit, including reasonable attorney's fees and disbursements, suffered or incurred by reason of damage to or destruction of the Premises.
- 26.15 In the event Private Operator should breach, violate, or should an Event of Default occur under the terms, obligations and conditions of the Agreement, except for non-payment of Rent when due, Private Operator hereby expressly consents and agrees to pay Public Sponsor an administrative fee equal to two and one-half percent (2.5%) of all Rent due to Public Sponsor for the quarterly period during which such breach, violation, or Event of Default should occur, if said breach, violation, or Event of Default is not cured within the time provided in this Agreement. Failure to pay said administrative fee within thirty (30) days of receipt of written demand for payment of same shall constitute an additional Event of Default, and Public Sponsor

shall be entitled to exercise any right available for a breach or violation of this Agreement and upon an Event of Default.

ARTICLE TWENTY-SEVEN

CONDEMNATION

- 27.1 In response to the initiation of any action or other proceeding by any Governmental Authority for the taking for a public use of any interest in all or part of the Premises during the Term of this Agreement, or in case of any deed, Agreement or other conveyance in lieu thereof (all which are in this ARTICLE referred to as "Taking" or "Conveyance"), the Parties shall both exercise their Best Efforts to oppose such taking, including but not limited to seeking FAA intervention, initiating litigation in state and/or federal courts, and/or requesting state and federal legislative support. In the event that such Governmental Authority, action or proceeding shall successfully result in a taking of all or part of the airport, there shall be such division of the proceeds and awards in such Taking or Conveyance and such abatement of the Rent and other adjustments made as shall be just and equitable under the circumstances. If the legal title to the entire Premises, or any part thereof, is taken by condemnation that renders the Premises not usable as a public aviation facility and the FAA concurs that the condemnation does terminate the airport's utility as a public aviation facility, this Agreement shall be terminated, unless otherwise mutually agreed to by the Parties hereto.
- 27.2 In the event that the respective portions of any award to be received by Public Sponsor, Private Operator, and the holder or holders of any mortgages shall not be fixed in the proceedings for such Taking in accordance with the Agreement of the Parties, and if the Parties do not agree in writing on such respective portions, annual abatement of Rent or other adjustments within thirty (30) days after the date of the final determination of the amount of such award, the amounts of such respective portions shall be determined by arbitration as provided under the provisions of ARTICLE THIRTY-FOUR of this Agreement.
- 27.3 Although the title to the buildings, fixtures, and Improvements placed by Private Operator upon the Premises will pass to Public Sponsor at the expiration of the Term of this Agreement without compensation paid to Private Operator for same, nevertheless it is the intent of the Parties, that, upon a Taking during the Term of this Agreement, the Parties hereto shall share in all awards to the extent that their interests, including use and occupancy, respectively, are

depreciated, damaged, or destroyed by the exercise of any Taking. In this connection, if the condemnation is total, the Parties agree that the condemnation award shall be allocated so that the then value of the land, as though it were vacant land, shall be allocated between Public Sponsor and Private Operator, provided that any sharing in the value of the land by Private Operator shall be limited to Private Operator's leasehold interest in such land, and the then value of the buildings or improvements thereon shall be allocated between Public Sponsor and Private Operator after giving due consideration to the number of years remaining in the term of this Agreement and revenue to be derived therefrom, the condition of the buildings or improvements at the time of condemnation, and the costs of constructing such buildings or improvements.

- 27.4 In the event of a partial or total Taking for public use, any award to be received by Private Operator under the provisions of ARTICLE TWENTY-SEVEN of this Agreement shall be Private Operator's exclusive remedy for its loss of the use of the Premises, its leasehold interest therein or any capital investment made in or with respect to the Premises; and, Private Operator shall not be entitled to any other recovery under any other provision of this Agreement.

ARTICLE TWENTY-EIGHT

MECHANIC'S LIENS

- 28.1 Private Operator shall not suffer or permit any mechanic's lien to be filed against the Premises or leasehold interest of Private Operator by reason of work, labor, services or materials supplied or claimed to have been supplied to Private Operator or anyone holding any interest in the Premises or any part thereof through or under Private Operator. If any such mechanic's lien shall at any time be filed against the Premises or leasehold interest of Private Operator, Private Operator shall within sixty (60) days after actual notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise. For purposes of this ARTICLE, a "Mechanic's Lien" shall include any lien or privilege authorized and filed under the provisions of the Louisiana Private Works Act, Louisiana Revised Statutes Title 9, Section 4801, et seq., or under any other applicable provision of Louisiana Law.
- 28.2 Nothing contained in this Agreement shall be deemed or construed in any way as constituting the consent or request of Public Sponsor, express or implied, by inference or otherwise, to any

contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Private Operator any right, power or authority to contract for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against Public Sponsor's interest in the Premises or any part thereof, or any assets of, or funds appropriated to, Public Sponsor. Notice is hereby given, and Private Operator shall cause all construction agreements to provide, that Public Sponsor shall not be liable for any work performed or to be performed at the Premises for Private Operator or any Subtenant or for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Public Sponsor in and to the Premises or any part thereof, or any assets of, or funds appropriated to, Public Sponsor.

- 28.3 Except as expressly provided in this Agreement, Private Operator shall have no power to do any act or make any contract which may create or be the foundation of any lien, mortgage or other encumbrance upon the estate or assets of, or funds appropriated to, Public Sponsor or of any interest of Public Sponsor in the Premises.

ARTICLE TWENTY-NINE

CONSTRUCTION ACTIVITIES AT THE AIRPORT

- 29.1 Any construction activities commenced by Public Sponsor prior to the Commencement Date, shall be diligently completed by Public Sponsor at no cost to Private Operator and Private Operator shall make the Premises available after the Commencement Date for diligent completion of any such construction activities.
- 29.2 Upon completion of any work or construction by or on behalf of Private Operator, title thereto and to any buildings, structures or improvements shall vest and remain in Private Operator until the expiration or earlier termination of this Agreement, at which time title shall pass to Public Sponsor, without any payment or compensation for the costs or value thereof, except for Unamortized Capital Investments, if applicable, as provided under ARTICLE SEVEN.

ARTICLE THIRTY

AFFIRMATIVE ACTION AND NONDISCRIMINATION

- 30.1 Private Operator will not on the grounds of race, color, religion, sex, age, disability or national origin, discriminate against any Person or group of Persons in the manner prohibited by Part 21 of the Department of Transportation regulations or any other Federal or State of Louisiana or Local law.
- 30.2 Private Operator agrees that in all of its activities pursuant to or in connection with this Agreement and in all of the operations on and about the premises: (i) Private Operator will furnish service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and (ii) Private Operator will charge fair, reasonable and not unjustly discriminatory prices for each unit of service and each Sublease.
- 30.3 Private Operator shall comply with the regulations relative to nondiscrimination in Federally-Assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time. In addition Private Operator will incorporate the provisions of this regulation in its Subleases and subcontracts.
- 30.4 Private Operator agrees that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no Person shall on the grounds of race, color, religion, sex, age, disability, veteran status or national origin will be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E.
- 30.5 Private Operator shall insert, in all solicitations for bids for work or material subject to Title VI of the Civil Rights Act of 1964, as amended, and all U. S. Department of Transportation regulations pertaining thereto, the following provision:

“Contractor, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”

30.6 Private Operator, or itself, its assignees and successors in interest, during the performance of the contracts referenced above, agrees as follows:

- (i) **Nondiscrimination.** Private Operator, with regard to the work performed by it during the contracts, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors or subcontractors, including procurements of materials and leases of Equipment. Private Operator shall not participate either directly or indirectly in the discrimination prohibited by Part 21.5 of the Civil Rights regulations, including employment practices when the contract covers a program set forth in Appendix B of the Civil Rights regulations.
- (ii) **Solicitations for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by Private Operator for work, to be performed under a contract or subcontract, including procurement of materials or leases of Equipment, each potential contractor, subcontractor or supplier shall be notified by Private Operator of Private Operator's obligations under the contracts and the Civil Rights regulations relative to nondiscrimination on the grounds of race, color or national origin.
- (iii) **Information and Reports.** Private Operator shall provide all information and reports required by any Civil Rights laws or regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Public Sponsor or the FAA to be pertinent to ascertain compliance with such Civil Rights regulations, orders, and instructions. Where any information required of Private Operator is in the exclusive possession of another who fails or refuses to furnish this information, Private Operator shall so certify to Public Sponsor or the FAA as appropriate, and shall set forth what efforts it has made to obtain the information.
- (iv) **Sanctions for Noncompliance.** In the event of Private Operator's noncompliance with the nondiscrimination provisions of the contracts, Public

Sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

(A) withholding of payments to Private Operator under any such contracts until Private Operator complies; and/or

(B) Cancellation, termination, or suspension of such contracts, in whole or in part.

- (v) **Incorporation of Provisions.** Private Operator shall include the provisions of paragraphs 30.6 (i) through (iv) of this ARTICLE, with respect to any third party, in every contract or subcontract, including procurements of materials and leases of Equipment, unless exempt by any Civil Rights laws or regulations or directives issue pursuant thereto. Private Operator shall take such action with respect to any contract or subcontract or procurement as Public Sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that, in the event Private Operator becomes involved in, or is threatened with, litigation with a contractor, subcontractor or supplier as a result of such direction, Private Operator may request Public Sponsor to enter into such litigation to protect the interests of Public Sponsor and, in addition, Private Operator may request the U.S. to enter into such litigation to protect the interests of the U.S.

30.7 Private Operator, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that, with regard to real property acquired or improved under the Federal Airport Development Aid Program:

- (i) no Person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
- (ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no Person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

- (iii) that it shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the U.S. Department of Transportation-Effectuation of the Act, and as the Civil Rights Regulations may be amended; and
- (iv) in the event of breach of any of the above nondiscrimination covenants, Public Sponsor shall have the right to terminate this Agreement and to re-enter and repossess the Premises and the facilities thereon, and hold the same as if this Agreement had never been made or issued.

30.8 It is the established policy of Public Sponsor to provide reasonable opportunities for Disadvantaged Business Enterprises (D.B.E.) to compete for or perform on contracts let by Public Sponsor. "Disadvantaged Business Enterprise" means a small business organized for profit performing a commercially useful function which is owned and controlled by one or more D.B.E. individuals or businesses as defined by the standards of the Small Business Administration (S.B.A.) Private Operator agrees to assist Public Sponsor in meeting its overall goal of at least sixteen (16%) percent participation by D.B.E. individuals or businesses in connection with services performed and supplies provided by subcontractors and vendors in the operation of the Airport. To assist Public Sponsor in meeting its goals for the participation of Disadvantaged Business Enterprises at the Airport, Private Operator agrees to designate a Person within Private Operator's Airport staff in New Orleans, Louisiana for overseeing such assistance and for compliance with any contract provisions relating to D.B.E. participation that may be required by law.

ARTICLE THIRTY-ONE

ENVIRONMENTAL MATTERS

31.1 Prior to the Commencement Date, Private Operator and Public Sponsor shall enter into a contract with qualified environmental engineers and/or consultants for a Phase II environmental assessment of the Baseline Environmental Conditions of the Premises and said engineers shall generate a report (the "Existing Environmental Conditions Report") identifying and describing the existing Environmental Conditions at the Premises (the "Known Pre-Existing Environmental

Conditions”). Such assessment and the report generated from said assessment shall be completed and delivered to Private Operator and to Public Sponsor prior to the Commencement Date. The selection of the consultant and the scope of said assessment shall be subject to the mutual agreement of Private Operator and Public Sponsor. The cost of the environmental assessment and the report shall be shared equally by Private Operator and Public Sponsor.

- 31.2 If the Existing Environmental Conditions Report indicates the presence of an Environmental Condition resulting from Public Sponsor’s Environmental Acts or the acts of other tenants on the Airport prior to the Commencement Date or indicates that Hazardous Substances are present at, on or under the Premises, and the presence of such Environmental Condition or such Hazardous Substances are the cause of an immediate demand by relevant Governmental Authorities, which have jurisdiction over the Premises, for the Remedial Action of such Environmental Condition or such Hazardous Substances, then Public Sponsor shall at its expense undertake such Remedial Action.
- 31.3 If the Existing Environmental Conditions Report indicates that an Environmental Condition or Hazardous Substances are present at, on or under the Premises, and the presence of which does not require immediate Remedial Action, Public Sponsor, if and when any Remedial Action is required by a Governmental Authority, which has Jurisdiction over the Premises, shall assume the responsibility for said Remedial Action, as provided in ARTICLE THIRTY-ONE, Section 31.5 below.
- 31.4 Public Sponsor and Private Operator recognize that there are asbestos or asbestos containing materials on the Premises. In the event Private Operator engages or performs any activity which disturbs any asbestos or asbestos containing materials on the Premises and causes the release of asbestos fibers into the air, “Friable Asbestos,” then Private Operator shall bear all costs associated with compliance required by any Governmental Authority, which has jurisdiction over the Premises, as well as any resulting causes of action which may occur as a result of said activity.
- 31.5 Public Sponsor’s sole obligation with respect to any Baseline Environmental Condition shall be to perform any Remedial Action only to such degree as is required by Environmental Laws,

however, Public Sponsor shall not be obligated to perform any remedial action required as a result of Private Operator's Environmental Acts.

- 31.6 Private Operator shall develop and implement an environmental compliance assurance program ("ECAP") for the Premises. The ECAP shall include compliance monitoring procedures that are sufficient to provide assurance of compliance by Private Operator, and by tenants of the Premises (subject to existing contractual arrangements with tenants of the Premises) with all Environmental Laws which are applicable to operations at the Premises. At a minimum Private Operator shall include in the ECAP, (i) an airport noise mitigation plan, (ii) provisions addressing spill prevention, reporting and response policies, underground storage tank compliance procedures, hazardous waste management plans, storm water management requirements, and deicing fluid collection and discharge.
- 31.7 Within ninety (90) days after the Commencement Date, Private Operator shall submit the proposed ECAP to Public Sponsor for approval. Private Operator shall have sixty (60) days to implement the ECAP following notice by Public Sponsor of its approval of the procedures.
- 31.8 Private Operator shall keep the ECAP current for the duration of this Agreement.
- 31.9 Private Operator shall not cause or permit any Hazardous Substance to be manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in or about the Premises, except as part of Private Operator's or any of Private Operator's Subtenant's ordinary course of operations, provided such Hazardous Substances are manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in or about the Premises in a manner that is in compliance with all applicable Environmental Laws. Private Operator shall otherwise maintain the Premises at all times free of any Hazardous Substance, except such Hazardous Substances as are maintained on the Premises in compliance with all applicable Environmental Laws. Private Operator shall immediately: (a) notify Public Sponsor in writing of any material change in the nature, extent or use of Hazardous Substances at the Premises; (b) transmit to Public Sponsor a copy of all reports that are required to be filed by Private Operator in connection with the Premises pursuant to the Emergency Planning and Community Right to Know Act ("EPCRA") 42 U.S.C. § 11001, et seq. or any similar state or local law; (c) transmit to Public Sponsor within three days of receipt by Private Operator copies of any demand letters, complaints or other

documents initiating legal action, citations, orders, notices, complaints or other material communications asserting claims by private Persons or government agencies with respect to Environmental Laws received by Private Operator or its agents or representatives (collectively, "Environmental Notice"), which Environmental Notice requires a written response or any action to be taken and/or if such Environmental Notice gives notice of and/or could give rise to a material violation of any applicable Environmental Laws and/or could give rise to any environmental obligation; (d) observe and comply with all applicable Environmental Laws relating to the use, maintenance and disposal of Hazardous Substances and all orders or directives from any official, court or agency of competent jurisdiction relating to the use or maintenance of Hazardous Substances or requiring a Remedial Action as a result of the presence of Hazardous Substances on or about the Premises; and, (e) subject to ARTICLE THIRTY-ONE, Sections 31.2 and 31.3, pay or otherwise dispose of any fine, charge or Imposition related thereto, unless Private Operator shall contest the same in good faith and by appropriate proceedings and the right to use and the value of the Premises is not materially and adversely affected thereby. Subject to ARTICLE THIRTY-ONE, Section 31.2 and 31.3, and if at any time the Premises or operations at the Premises are in violation of any applicable Environmental Laws, Private Operator shall take all actions and incur any and all expenses as may be necessary or as may be required by any Governmental Authority to perform Remedial Action. Notwithstanding anything contained herein to the contrary, if Hazardous Substances are discovered on the Premises during the Term which were placed on the Premises prior to the Commencement Date or if there are any Public Sponsor Environmental Acts, Public Sponsor shall comply with all applicable Environmental Laws related thereto and with all orders or directives from any official, court or agency having jurisdiction or requiring a Remedial Action thereof; and Public Sponsor shall pay any fine, charge or Imposition related thereto, unless Public Sponsor shall contest such matter in good faith and by appropriate proceedings so that the value of the Premises is not materially and adversely affected thereby.

- 31.10 Six (6) months prior to expiration of the Term, Private Operator shall, at the equally shared expense of Private Operator and Public Sponsor, enter into a contract with a qualified environmental engineer, satisfactory to Public Sponsor in its sole discretion, which engineer shall conduct a Phase I environmental assessment of the Premises, and prepare an

Environmental Site Assessment Report (the "Environmental Report") with respect thereto. The scope of such Environmental Report shall include, without limitation, review of relevant records, interviews with Persons knowledgeable about the Premises and relevant governmental agencies, a site inspection of the Premises, any buildings, the fence lines of the Premises and adjoining properties and shall be otherwise be reasonably satisfactory in form and substance to Public Sponsor. If such investigation, in the opinion of the performing engineer, indicates that the Premises is not environmentally sound and free from any petroleum or petroleum-derived products or wastes, asbestos, radon and any other Hazardous Substances (except those used in the ordinary course of business in compliance with applicable Environmental Laws), then said engineer shall conduct a Phase II environmental assessment, at the expense of Private Operator, which shall also include a more detailed physical site inspection, appropriate testing, subsurface and otherwise, and review of historical records to demonstrate the compliance of the Premises with applicable Environmental Laws and the absence of Hazardous Substances, except in compliance with applicable Environmental Laws. The Environmental Report, including any supplements and amendments thereto and correspondence, notes or drafts prepared in connection with, shall be provided to Public Sponsor contemporaneously with delivery thereof to Private Operator. With respect to any information contained in the Environmental Report regarding any violations of applicable Environmental Laws and/or the existence of any conditions at the Premises which could give rise to an environmental obligation, Private Operator shall promptly give notice thereof to Public Sponsor, together with a description, setting forth in reasonable detail, all actions Private Operator proposes to take in connection therewith and Private Operator shall promptly take all actions, and incur any and all expenses, as may be required to achieve compliance with applicable Environmental Laws or remedy any conditions at the Premises which could give rise to an environmental obligation, including, but not limited to: (i) any Remedial Action of Hazardous Substances present on, at or under the Premises; (ii) any actions necessary to contain, prevent and eliminate any further release or threat of release of Hazardous Substances on, under or about the Premises; and (iii) any actions otherwise needed to eliminate such violation or condition from the Premises in accordance with applicable Environmental Law.

- 31.11 Private Operator shall defend, protect, indemnify and hold forever harmless Public Sponsor, its commissioners, officers, agents, representatives and employees and any of their respective successors or assigns (hereafter the "Indemnitees," and when referred to singularly, an "Indemnatee") from and against any and all debts, liens, liabilities, claims, causes of action, administrative orders or notices, costs, fines, penalties or expenses (including, without limitation, reasonable attorney's fees and expenses) imposed upon, incurred by or asserted against any Indemnatee resulting from, either directly or indirectly, contamination resulting from (1) the presence of Hazardous Substances at, on, under or adjacent to the Premises for which Private Operator may have liability under the terms of this ARTICLE and/or (2) the violation of any Environmental Laws for which Private Operator may have liability under the terms of this ARTICLE and/or (3) for Private Operator's Environmental Acts. Private Operator's duty herein includes, but is not limited to, indemnification for costs associated with personal injury or property damage claims as a result of the presence of Hazardous Substances on the Environment of the Premises or of Private Operator's Environmental Acts in violation of any applicable Environmental Law.
- 31.12 Public Sponsor shall defend, protect, indemnify and hold forever harmless Private Operator, its officers, agents, representatives and employees and any of their respective successors or assigns (hereafter the "Indemnitees," and when referred to singularly, an "Indemnatee") from and against any and all debts, liens, liabilities, claims, causes of action, administrative orders or notices, costs, fines, penalties or expenses (including, without limitation, reasonable attorney's fees and expenses) imposed upon, incurred by or asserted against any Indemnatee resulting from, either directly or indirectly, contamination resulting from (1) the presence of Hazardous Substances at, on, under or adjacent to the Premises and/or the violation of any Environmental Law for which Public Sponsor may have liability under the terms of this ARTICLE and/or (2) the violation of any Environmental Laws for which Public Sponsor may have liability under the terms of this ARTICLE and/or (3) for Public Sponsor's Environmental Acts. Public Sponsor's duty herein includes, but is not limited to, indemnification for costs associated with personal injury or property damage claims as a result of the presence of Hazardous Substances on the Environment of the Premises in violation of any applicable Environmental Law.

- 31.13 Upon notice from Public Sponsor, Private Operator shall undertake the defense, at Private Operator's sole cost and expense, of any indemnification duties set forth herein owed by Private Operator. Private Operator shall, upon demand, pay to Public Sponsor, as additional rent, any cost, expense, loss or damage (including, without limitation, reasonable attorney's fees and consultant's fees) incurred by Public Sponsor in asserting any right under this ARTICLE, including without limitation any right of indemnity under this ARTICLE or otherwise, arising from a failure of Private Operator strictly to observe and perform the foregoing requirements.
- 31.14 Upon notice from Private Operator, Public Sponsor shall undertake the defense, at Public Sponsor's sole cost and expense, of any indemnification duties set forth herein owed by Public Sponsor. Public Sponsor shall, upon demand, pay to Private Operator, any cost, expense, loss or damage (including, without limitation, reasonable attorney's fees and consultant's fees) incurred by Private Operator in asserting any right under this ARTICLE, including without limitation any right of indemnity under this ARTICLE or otherwise arising, from a failure of Public Sponsor strictly to observe and perform the foregoing requirements.
- 31.15 The obligations of Private Operator and of Public Sponsor under this ARTICLE shall survive the expiration or earlier termination of this Agreement.

ARTICLE THIRTY-TWO

NOTICE

- 32.1 All notices, demands, permissions, requests, consents, and approvals or other communications given or required to be given to either Party under this Agreement shall be given in writing and mailed by U.S. certified mail, return receipt requested, postage prepaid, or sent by a recognized overnight commercial delivery service, addressed to the recipient at the address set forth below, or by hand delivery to the recipient at the address set forth below:

TO PUBLIC SPONSOR:

**Executive Director
The Board of Commissioners of the
Orleans Levee Board
New Orleans Lakefront Airport
Administration Building, Suite 202
6001 Stars and Stripes Boulevard
New Orleans, LA 70126**

With a copy to:

**Senior Counsel
Orleans Levee District
New Orleans Lakefront Airport
Administration Building, Suite 209
6001 Stars and Stripes Boulevard
New Orleans, LA 70126**

TO PRIVATE OPERATOR:

**Mr. Robert A. Clifford
American Airports Lakefront, L.L.C.
2951 28th Street, 3rd Floor
Santa Monica, CA 90405**

With copies to:

**Mr. Scott B. Fuller
Vice President Airports, AAC
American Airport Technologies, L.L.C.
3235 Satellite Boulevard
Suite 400
Duluth, GA 30096**

And

**Lane Sisung, Esq.
American Airports Lakefront, L.L.C.
World Trade Center
2 Canal Street
Suite 2440
New Orleans, LA 70130**

- 32.2 Such addresses and numbers shall be subject to change from time to time to such other addresses and numbers as may be specified in a written notice given in accordance with the terms of this ARTICLE to the intended recipient by sender.
- 32.3 All notices and other communications pursuant to the terms of this Agreement shall be deemed to have been duly given upon the actual receipt thereof.
- 32.4 Should Public Sponsor be unable to give notice to Private Operator, as hereinabove set forth, and should this continue for a period of fifteen (15) days from date of mailing, then said notice, demand or citation may be served on Private Operator by tacking same on the main entrance door of the offices of Private Operator located on the Leased Premises.
- 32.5 This ARTICLE shall not apply in the event of a public emergency which shall cause Public Sponsor to issue a notice of immediate evacuation to Private Operator and/or any of its Sublessees.

ARTICLE THIRTY-THREE

PREMISES NAME AND SIGNAGE

- 33.1 Private Operator shall have no right to change the name of the Premises from its existing name, i.e., The New Orleans Lakefront Airport. Private Operator may change the logo of the Premises and/or the Airport.

- 33.2 There shall be erected and maintained at the Premises by Private Operator a sign or signs of appropriate size, character and location which shall contain the name of the Premises and state that the Premises is:

“Leased by American Airports Lakefront, L.L.C., managed by
American Airports Corporation and Owned by the Orleans
Levee District”

ARTICLE THIRTY-FOUR

ARBITRATION

- 34.1 If there is any dispute arising out of or relating to this Agreement between the Parties, except for a dispute that is not subject to arbitration under the terms of the following ARTICLE, representatives of the Parties shall meet no later than ten (10) days after delivery of notice of a dispute and shall enter into good faith negotiations aimed at curing the dispute alleged to exist. If such Persons are unable to resolve the dispute in a satisfactory manner within the next ten (10) days, either Party may seek binding arbitration in accordance with the terms and provisions of the following sections of this ARTICLE. All deadlines referenced above may be extended by mutual consent of the Parties.
- 34.2 All disputed matters, controversies or claims (“claim”) of Public Sponsor or Private Operator arising out of or related to or which have occurred in the course of this Agreement, except as provided hereinbelow in this ARTICLE, shall be submitted and decided by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, currently in effect, unless the Parties in writing mutually agree otherwise. A claim shall include any and all types of demands or assertions by one Party to this Agreement against the other Party to this Agreement, except for failure by Private Operator to pay any Rent due in accordance with the terms of this Agreement for which Public Sponsor may institute legal proceedings in any court of competent jurisdiction and venue in the State of Louisiana for eviction and/or for cancellation of this Agreement and/or for any other legal remedy provided herein or under law, provided that the calculation of Percentage Rent or of Adjustments for Inflation shall be claims under this ARTICLE.
- 34.3 A Party who files a notice of demand for arbitration must assert in the demand all claims then known to that Party on which arbitration is permitted to be demanded. Notice of demand for arbitration shall be filed in writing with the other Party to this Agreement and with the American Arbitration Association. A demand for arbitration on any claim by a Party shall be made within

thirty (30) days of the failure of good faith negotiation to settle the dispute, as required under ARTICLE THIRTY FOUR, Section 34.1. Failure of a Party to demand arbitration within the said thirty (30) day period shall constitute a waiver of the disputed claim(s). All deadlines referenced above may be extended by mutual consent of the Parties.

- 34.4 The jurisdiction of the arbitrator(s) will be determined by the arbitrator(s). The arbitrator(s) may award any remedy that could be awarded by a court, including but not limited to damages for negligence or strict liability, damages for breach of contract, restraining orders, injunctions, and provisional remedies. Notwithstanding the foregoing, any Party may apply to the Civil District Court for the Parish of Orleans in the State of Louisiana, for attachment, injunction, declaratory relief, or other provisional or summary remedy that may not be available in arbitration, without waiving its right to demand arbitration under this Agreement. If a Party after appointment of the arbitrator(s) and due notice fails or refuses to appear at or participate in arbitration hearings, the arbitrator(s) may render an award based on evidence produced by the Party or Parties who do appear and participate. The arbitrator(s) shall award reasonable attorney's fees, costs, including the arbitration administrative fees and arbitrator's fees, and expenses to the prevailing Party.
- 34.5 This arbitration agreement shall be enforced as provided for under the provisions of the Louisiana Binding Arbitration Act, La.Rev.Stat. 9§4201, et seq. The award rendered by the arbitrator(s) will be final, and judgment may be entered upon it in the Civil District Court for the Parish of Louisiana, which shall be the court of proper venue and competent jurisdiction for purposes of this arbitration agreement. The award rendered by the arbitrator(s) will not be subject to modification or appeal, except to the extent permitted under the provisions of the Louisiana Binding Arbitration Act. In the event of litigation arising out of this arbitration agreement, the Court may award reasonable attorney's fees, costs and expenses to the prevailing Party.
- 34.6 Private Operator agrees that any agreement, supplier agreement or any other type of agreement entered into related to the Premises shall include a provision that any controversy arising out of the performance or nonperformance of such agreement, which involves any type of claim against Public Sponsor, shall be subject to arbitration in accordance with this provision, and that all such Parties shall be bound by this arbitration provision.

34.7 Any arbitration hearing convened pursuant to this Agreement shall be held in the City of New Orleans. It is expressly agreed that notice to arbitrate shall toll any applicable state statute of limitation or prescription period. Any and all members of any arbitration panel shall be neutral. Any decision and award shall be given res judicata effect in subsequent proceedings between the Parties. In the event either Party violates this arbitration agreement by instituting legal action on any issue subject to arbitration, such violation shall constitute a breach of contract for which the arbitrator(s) shall grant relief and attorney's fees in favor of the aggrieved Party. All costs and fees for instituting arbitration proceedings shall initially be shared by the Parties. If either Party fails to pay the costs and fees of administering the arbitration, the other Party may pay said fees to continue arbitration or may consider such failure a waiver of the dispute subject to arbitration.

ARTICLE THIRTY-FIVE

RIGHT OF PUBLIC SPONSOR TO

SUBLEASED OFFICES AND OTHER FACILITIES

35.1 From and after the Commencement Date, and as additional consideration for this Agreement, Private Operator shall sublease to Public Sponsor for a term of three (3) years all of the offices, board and conference rooms, buildings and other facilities located in the building known as the "Administration Building" located on the Premises occupied and used by Public Sponsor on the Commencement Date of this Agreement and set forth on **Exhibit "K"**. The rentable square footage leased shall be determined in accordance with BOMA Standards. Public Sponsor shall pay no rent for the sublease premises; however, Public Sponsor shall pay all utilities, including electric, gas and water, based upon an equitable assessment of utility usage on the subleased premises occupied by Public Sponsor. Additionally, Public Sponsor shall be responsible for housekeeping and trash collection on the subleased premises. Public Sponsor at its expense shall procure a general commercial liability insurance policy designed to protect the public generally, and naming Private Operator as an additional insured, for claims arising out of injury, death and/or damage to property resulting from accidents occurring within or in the immediate vicinity of the subleased premises, adequate insurance to fully protect Public Sponsor's property and Equipment against the hazards of loss or damage resulting from fire and other similar risks to the complete exclusion and exoneration of Private Operator from any liability in connection therewith, and worker's compensation insurance for Public Sponsor's employees.

Notwithstanding Private Operator's insurance obligations contained elsewhere herein, Public Sponsor's above described insurance policies for the purposes of this ARTICLE shall be considered primary coverage. Public Sponsor shall also be responsible for ordinary maintenance repairs in the subleased premises, excluding maintenance and repairs of the roof, structural components of the building, electrical, HVAC and plumbing (including plumbing fixtures) systems and all other major systems servicing the subleased premises, which shall be the responsibility of Private Operator to maintain, repair and/or replace if necessary. Public Sponsor shall not be responsible for any expenses or repairs of any kind, except for those set forth hereinabove, during the three (3) year term of the sublease of the premises in the Administration Building.

- 35.2 Public Sponsor shall have the right to terminate this sublease in its entirety without the consent of Private Operator, or partially as to any contiguous subleased office space or any particular building or other facility without the consent of Private Operator, at any time during the term of this sublease, upon ninety (90) days written notice to Private Operator.
- 35.3 Public Sponsor shall have the option to enter into a new and separate lease for the space covered by the sublease described in ARTICLE THIRTY- FIVE, Section 35.1 for an additional three (3) year term based upon fair market value rental rates and fair market terms and conditions provided (1) Public Sponsor is not in default of its obligations under the sublease or under this Agreement, (2) Public Sponsor gives Private Operator written notice of its intention to enter into the new lease at least six (6) months prior to the expiration of the term of this sublease, (3) Public Sponsor shall not have partially terminated this sublease during the initial term of such sublease, and, (4) Public Sponsor renews this sublease for the entirety of the subleased premises.
- 35.4 During the term of this sublease, parking shall be provided on the Premises at no expense to Public Sponsor's Commissioners, officers, employees, agents, and representatives. Unless the Parties otherwise mutually agree, the parking areas provided shall be the same areas used by Public Sponsor's Commissioners, officers, employees, agents, and representatives on the Commencement Date.
- 35.5 In addition to the right of Public Sponsor to sublease the foregoing offices and facilities located in the Administration Building, Private Operator shall sublease (the "Harbormaster Sublease")

to Public Sponsor during the Term of this Agreement, the office space occupied by Public Sponsor in the office building located on the east side of the Airport, known as the "Harbormaster Building," bearing Municipal Address 6701 Stars & Stripes Boulevard, New Orleans, Louisiana 70126, and which is identified on the ALP, a copy of which is attached hereto as **Exhibit "C."** The Harbormaster Sublease shall be for a term of three (3) years. Public Sponsor shall pay no rent for the sublease premises; however, Public Sponsor shall pay all utilities, including electric, gas and water, based upon an equitable assessment of utility usage on the subleased premises occupied by Public Sponsor. Additionally, Public Sponsor shall be responsible for housekeeping and trash collection on the subleased premises. Public Sponsor at its expense shall procure a general commercial liability insurance policy designed to protect the public generally, and naming Private Operator as an additional insured, for claims arising out of injury, death and/or damage to property resulting from accidents occurring within or in the immediate vicinity of the subleased premises, adequate insurance to fully protect Public Sponsor's property and Equipment against the hazards of loss or damage resulting from fire and other similar risks to the complete exclusion and exoneration of Private Operator from any liability in connection therewith, and worker's compensation insurance for Public Sponsor's employees. Notwithstanding Private Operator's insurance obligations contained elsewhere herein, Public Sponsor's above described insurance policies for the purposes of this ARTICLE shall be considered primary coverage. Public Sponsor shall also be responsible for ordinary maintenance repairs in the subleased premises, excluding maintenance and repairs of the roof, structural components of the building, electrical, HVAC and plumbing (including plumbing fixtures) systems and all other major systems servicing the subleased premises, which shall be the responsibility of Private Operator to maintain, repair and/or replace if necessary. Public Sponsor shall not be responsible for any expenses or repairs of any kind, except for those set forth hereinabove, during the three (3) year term of the sublease of the premises in the Harbormaster Building.

- 35.6 Public Sponsor shall have the right to terminate the Harbormaster Sublease at any time during the term of this sublease upon ninety (90) days written notice to Private Operator. Public Sponsor shall have the option to enter into new and separate leases for the Harbormaster space for fifteen (15) additional three (3) year terms and one additional two (2) year term based

upon fair market value rental rates and fair market terms and conditions, provided (1) Public Sponsor is not in default of its obligations under the Harbormaster Sublease or under this Agreement, (2) Public Sponsor gives Private Operator written notice of its intention to renew at least six (6) months prior to the expiration of the then existing term of the Harbormaster Sublease, and (3) Public Sponsor enters into the new Harbormaster Sublease for all of the Harbormaster space. During any such renewal term, Private Operator may relocate Public Sponsor to comparable premises at a different location on the Premises provided that such relocated premises shall be suitable to the duties and obligations of the Marina Manager/Harbormaster of Public Sponsor.

- 35.7 Public Sponsor agrees to terminate prior to the Commencement Date any leases of tenants in the Harbormaster Building and to turn over the Harbormaster Building on the Commencement Date free and clear of any tenants, except for tenants with Existing Agreements identified on **Exhibit "H"** and the occupancy of Public Sponsor under the sublease provided for in this ARTICLE.

ARTICLE THIRTY-SIX

MAINTENANCE AND REPAIR OF BULKHEAD

- 36.1 Private Operator acknowledges that the Steel Sheetpile Bulkhead bordering Lake Pontchartrain on the northeast and east sides of the Airport is in need of repair and/or reconstruction (the "Steel Sheetpile Bulkhead"). The Steel Sheetpile Bulkhead is marked for identification in "RED" on the attached Project Site Plan for the East Bulkhead Restoration Projection, a copy of which is attached hereto and marked for identification as **Exhibit "L."** The Parties hereto agree to cooperate and use their Best Efforts to secure any available Federal, State of Louisiana or other funding to pay for the cost of repair and/or reconstruction of the Steel Sheetpile Bulkhead. Notwithstanding anything to the contrary contained herein, neither Party shall be obligated to incur any expense to secure funding or make any expenditure for the repair and/or reconstruction of the Steel Sheetpile Bulkhead, including any expenditures or payment on the local cost share of any Federal or State of Louisiana funding for repair and/or reconstruction of the Steel Sheetpile Bulkhead.
- 36.2 In the event that the runways on the Airport are closed by order of the FAA because of the condition of the Steel Sheetpile Bulkhead and the failure to make said repairs and/or

reconstruction of the Steel Sheetpile Bulkhead, Private Operator at its option may either (1) at its expense make said repairs to the Steel Sheetpile Bulkhead or (2) cancel and terminate this Agreement upon written notice to Public Sponsor given one hundred-eighty (180) days prior to the date of termination of this Agreement or (3) continue to operate the Airport and occupy the Leased Premises, pursuant to the terms of this Agreement, without the obligation of replacing or reconstructing any such section of the Bulkhead as long as such is approved by the FAA and does not result in a revocation of any of the Exemptions granted by the FAA under 49 U.S.C. § 47134. Upon election to cancel this Agreement pursuant to the terms of this provision, all obligations of Private Operator under the terms of this Agreement shall remain in full force and effect until the date of termination of this Agreement.

- 36.3 In the event that the Parties are successful in obtaining Federal, State of Louisiana or other funding for the repair and/or reconstruction of the Steel Sheetpile Bulkhead, and said repair and/or reconstruction is completed to the mutual satisfaction of the Parties hereto, Private Operator shall thereafter be responsible for the ordinary maintenance, not including replacement and/or reconstruction, if necessary, of the Steel Sheetpile Bulkhead (or any replacement thereof) during the Term of this Agreement.
- 36.4 Within ninety (90) days after termination of this Agreement by Private Operator under the provisions of ARTICLE THIRTY- SIX, Section 36.2, Public Sponsor and Private Operator shall mutually agree upon a schedule pursuant to which Public Sponsor shall pay to Private Operator the Unamortized Capital Investment, if there be any, that Private Operator has made in Airport improvements and facilities, in accordance with and as provided under the provision of ARTICLE SEVEN of this Agreement, and the Parties hereto shall be released from all other obligations under the terms of this Agreement and shall have no other claims the one against the other relating to or resulting from or arising out of a termination of this Agreement pursuant to the terms of this ARTICLE.
- 36.5 Private Operator shall be responsible for the ordinary maintenance, not including replacement and/or reconstruction, if necessary, of the other sections of the Bulkhead ("Bulkhead") bordering Lake Pontchartrain at the Premises during the Term of this Agreement. In the event of a failure of any section of said Bulkhead, during the Term of this Agreement requiring replacement or reconstruction, Public Sponsor and Private Operator shall not be responsible

for the replacement or reconstruction of same, and in such event Private Operator may at its option either (1) replace or reconstruct such failed or damaged section of the Bulkhead at its expense, or (2) may terminate this Agreement upon written notice to Public Sponsor given one hundred-eighty (180) days prior to the date of termination of this Agreement or (3) continue to operate the Airport and occupy the Leased Premises, pursuant to the terms of this Agreement, without the obligation of replacing or reconstructing any such section of the Bulkhead as long as such is approved by the FAA and does not result in a revocation of any of the Exemptions granted by the FAA under 49 U.S.C. § 47134. Upon election to cancel this Agreement pursuant to the terms of this provision, all obligations of Private Operator under the terms of this Agreement shall remain in full force and effect until the date of termination of this Agreement. In the event of a termination of this Agreement by Private Operator under this ARTICLE THIRTY- SIX, Section 36.5, Private Operator shall be entitled only to payment or reimbursement for any Unamortized Capital Investment, if any, made in accordance with and as provided under the provisions of ARTICLE SEVEN of this Agreement, and the parties hereto shall be released from all other obligations under the terms of this Agreement and shall have no other claims the one against the other relating to or resulting from or arising out of a termination of this Agreement pursuant to the terms of this ARTICLE.

ARTICLE THIRTY-SEVEN

PUBLIC ROADS AND PARKING FACILITIES

LOCATED ON THE PREMISES

- 37.1 Private Operator acknowledges that there are certain public roads located on the Premises, including Stars and Stripes Boulevard, the Bally's Development Exit, and I. Sikorsky Drive, that provide access to the Airport and are open to public traffic and maintained by Public Sponsor. The said public roads located on the Premises are identified in the Airport Layout Plan, a copy of which is attached hereto and identified as Exhibit "C." Private Operator agrees to keep said public roads open, without any charge, toll, etc., for use by Public Sponsor, its employees, agents, representatives and tenants, and the general public during the Term of this Agreement, and further agrees to execute upon request by Public Sponsor any agreement evidencing its consent to public use of said roads without a charge of any type, including a servitude for use of said public roads, in accordance with the terms of this ARTICLE.

- 37.2 Private Operator agrees to maintain, repair and replace, if necessary, at its expense the public roads, including the road beds and streetlights on the public roads, during the Term of this Agreement, except for repairs and replacements to the Stars & Stripes Boulevard Facilities, which said repairs and replacements shall be made and paid for by Public Sponsor during the Term of this Agreement. Private Operator shall be responsible for the ordinary maintenance, cleaning, clearing, landscaping and minor pothole repairs of the Stars & Stripes Boulevard Facilities, and Private Operator shall also be responsible for repairs and replacements to the Stars & Stripes Boulevard Facilities made necessary by and/or resulting from the actions by Private Operator, including development and construction projects initiated and made by Private Operator.
- 37.3 Private Operator acknowledges that there are two parking lots available to and used by tenants and employees of Public Sponsor at South Shore Harbor, which said parking lots are located on the Premises, and are identified as Parking Lots Nos. 1 & 2 on Orleans Levee District Plan No. PA01-37,9/28/01, a copy of which is attached hereto as **Exhibit "F"** (the "Parking Lots"). Private Operator agrees to provide access to and keep the Parking Lots open for use by Public Sponsor, tenants of Public Sponsor and their invitees, etc. without charge of any kind during the Term of this Agreement and to execute upon request by Public Sponsor any Agreement evidencing its consent to the access to and use of said Parking Lots without charge, including a servitude for use of said Parking Lots. Public Sponsor agrees to maintain and repair the Parking Lots during the Term of this Agreement.
- 37.4 During the Term of this Agreement, Private Operator at its sole expense may re-configure or replace Parking Lot No. 2 provided that Private Operator provides reasonably comparable parking facilities for use by Public Sponsor, tenants of Public Sponsor and their invitees at Southshore Harbor without charge and provided further that Public Sponsor shall maintain and repair such re-configured or replacement parking lot.
- 37.5 Public Sponsor may develop at some future date a parcel of property not on, but adjacent to, the Premises, said parcel is designated by Public Sponsor as the "North Peninsula." There is expressly excepted from the Premises and reserved to Public Sponsor and any and all assignees, lessees, designees and successor in title, if any, of Public Sponsor, a non-exclusive servitude effective during the Term of this Agreement in the form attached hereto as **Exhibit "M"** for

a right of passage, utilities and ancillary uses and a right to effect the construction of a road and related facilities on the excepted servitude and right of passage from the eastern boundary of the Premises, where necessary, to the North Peninsula, and Private Operator hereby acknowledges and accepts this servitude and right of passage. It is expressly agreed by Private Operator that such servitude shall not be extinguished as a result of non-use. However, such servitude must be sufficient to provide the same or reasonably similar access privileges enjoyed by Private Operator and its tenants prior to any construction activities by Public Sponsor related to the North Peninsula and any road construction or road relocation or road repair(s) in connection herewith shall be at the sole expense of Public Sponsor. Private Operator agrees to execute upon request of Public Sponsor at any time during the Term of this Agreement a servitude agreement or other Agreement evidencing its consent to said right of passage to the North Peninsula. Public Sponsor agrees to maintain and repair such servitude and any road or related facilities constructed thereon.

- 37.6 Private Operator shall also grant without charge to Public Sponsor a non-exclusive servitude of passage effective during the term of this Agreement in form and at a location reasonably acceptable to Private Operator and Public Sponsor allowing Public Sponsor access across the Premises to the bridge tender tower on the Senator Ted Hickey Bridge and shall provide parking without charge for Public Sponsor's employees who are assigned to operate the bridge tender tower on the Senator Ted Hickey Bridge.
- 37.7 Private Operator shall also grant without charge to Public Sponsor a servitude effective during the term of this Agreement on a parcel of ground on the Premises measuring 100 feet by 200 feet located on the eastern boundary of the Airport on the north side and adjacent to the Covered Boatslips at South Shore Harbor for the construction of a parking lot and restroom facility in accordance with the provisions of the ADA. The construction of the parking lot and restroom facility shall be at the sole expense of Public Sponsor. Public Sponsor shall be responsible for maintaining and repairing said parking lot and restroom facility. The servitude granted by Private Operator under the terms of this Section shall also provide for public access without charge to the parking lot and restroom facility. In the event that Private Operator develops the property on the eastern boundary of the Airport where the parking lot and restroom facility are constructed pursuant to the foregoing servitude, it is agreed that Private

Operator may at its option either lease the property subject to the servitude to Public Sponsor on commercially reasonable rates and conditions or require Public Sponsor to remove and relocate the parking lot and restroom facility.

ARTICLE THIRTY-EIGHT

LETTER OF CREDIT

- 38.1 Private Operator shall deliver to Public Sponsor no later than the Commencement Date a Letter of Credit in the amount of ONE MILLION (\$1,000,000) DOLLARS, as security for the payment and performance by Private Operator of Private Operator's obligations under this Agreement should an Event of Default occur, as set out in ARTICLE TWENTY-SIX of this Agreement.
- 38.2 If such an Event of Default should occur, whether or not this Agreement is terminated as a result of an Event of Default, and as a result of such Event of Default Public Sponsor is due monetary compensation and/or damages from Private Operator under the terms of this Agreement, Public Sponsor shall have the right (in addition to all other rights and remedies provided in this Agreement and without Public Sponsor's exercise of such right being deemed a waiver or a cure of Private Operator's failure to perform), without notice to Private Operator, to present for immediate payment sight draft(s), in any amount Public Sponsor elects up to the full amount then available under such Letter of Credit. Public Sponsor has accepted the Letter of Credit as security for Private Operator's obligations under this Agreement, in place of a cash deposit in the same amount, with the understanding that the Letter of Credit is to be the functional equivalent of a cash deposit. To further assure that the Letter of Credit achieves its intended purpose, the Parties agree as set forth below. Private Operator acknowledges that the waivers in this ARTICLE THIRTY-EIGHT constitute a material portion of the inducement to Public Sponsor to accept the Letter of Credit under the terms and conditions of this ARTICLE and any other applicable provisions of this Agreement, and that Public Sponsor has agreed to accept the Letter of Credit in reliance upon the following waivers by Private Operator :

- (A) Private Operator unconditionally and irrevocably waives (and as an independent covenant hereunder covenants not to assert) any right to claim or obtain any of the following relief in connection with the Letter of Credit:

- (1) A temporary restraining order, temporary injunction permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under the Letter of Credit or the honoring or payment of sight draft(s) by the issuer of the Letter of Credit; or
 - (2) Any attachment, garnishment, or levy in any manner upon either the proceeds of the Letter of Credit or the obligations of the issuer of the Letter of Credit (either before or after the presentment to such issuer of sight draft drawn under the Letter of Credit) based on any theory whatsoever.
- (B) Private Operator's sole remedy in connection with the improper presentment or payment of sight drafts drawn under the Letter of Credit shall be the right to obtain from Public Sponsor a refund of the amount of any sight draft(s) the proceeds of which were misapplied and the reasonable costs incurred by Private Operator as a result of such misapplication; provided that at the time of such refund Private Operator increases the amount of such Letter of Credit to the amount (if any) then required under the applicable provisions of this Agreement. Private Operator acknowledges that the presentment of sight drafts drawn under the Letter of Credit could not under any circumstances cause Private Operator injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor.
- (C) Private Operator shall not request or instruct the issuer of the Letter of Credit to refrain from paying sight draft(s) drawn under the Letter of Credit.
- (D) If Public Sponsor desires to assign its rights and obligations under this Agreement, Private Operator shall cooperate so that concurrently with the effectiveness of such assignment, either replacement Letters of Credit or appropriate amendments to the Letter of Credit then held by Public Sponsor, in either case identifying as beneficiary the appropriate Party after the assignment becomes effective, shall be delivered to Public Sponsor, at no cost to Public Sponsor.

- (E) Private Operator shall obtain and furnish the Letter of Credit at its sole cost and expense and shall pay all charges imposed in connection with Public Sponsor's presentation of each sight draft and drawing against the Letter of Credit.
- (F) In lieu of any Letter of Credit to be provided by Private Operator pursuant to the terms of this ARTICLE THIRTY-EIGHT, Private Operator may, subject to the consent of Public Sponsor, deposit with a Federally Insured Banking Institution in New Orleans, Louisiana, for the benefit of Public Sponsor cash in an amount equal to the amount of such Letter of Credit at the time of such deposit. Subject to the consent of Public Sponsor, Private Operator shall have the right to deposit with a Federally Insured Banking Institution in New Orleans, Louisiana, for the benefit of Public Sponsor securities in an amount equal to the amount of such Letter of Credit. The Bank shall invest and reinvest such amounts in eligible investments at the direction of Private Operator, provided that earnings thereon shall be paid to Private Operator. Eligible investments shall mean any United States Treasury securities and any securities issued by a government agency of the United States. If, at any time during the Term, Public Sponsor would have the right to draw any amount on that Letter of Credit for which Private Operator has substituted a cash deposit or securities, the Bank shall pay such amount to Public Sponsor from such cash deposit or securities in accordance with the terms of this ARTICLE and all rights and remedies of Public Sponsor and Private Operator with respect to such cash deposit or securities, if any, shall be the same as those provided in this ARTICLE with respect to any Letter of Credit.
- (G) Within thirty (30) days after the Expiration Date or earlier termination of this Agreement provided that Private Operator is not in Default hereunder, Public Sponsor shall return to Private Operator the Letter of Credit or the cash deposit or securities (or the unexpended proceeds thereof) then held by Public Sponsor.

38.3 If Letters of Credit shall not in the future be available at commercially reasonable terms and rates or shall not be a commercially reasonable form of security in similar transactions, Private Operator shall furnish Public Sponsor with comparable security instruments or eligible

investments that then are commonly used in similar transactions and which are approved by Public Sponsor, such approval not to be unreasonably withheld; and if no such security instruments shall be available, Private Operator shall deposit with Public Sponsor cash as security in an amount equal to the amount required for the Letter of Credit.

ARTICLE THIRTY-NINE

PRIVATE OPERATOR REPORTS

- 39.1 In connection with its operation and use of the Premises, Private Operator shall set up and thereafter continually maintain during the Term, a system of books, records and accounts that is adequate and appropriate for the accurate recording of all material transactions at, through or in any way connected with the Premises and that conforms to Accounting Principles. Such books, records and accounts shall include (i) for those aircraft for which charges by Private Operator are received, the recording of all arrivals of aircraft, the time and dates thereof, the type and category of aircraft and the charges therefor, (ii) the Annual Statement, and (iii) the Quarterly Statement, and (iv) the recording of all other substantial transactions of any kind arising out of or in connection with Private Operator's operation and use of the Premises and the services performed in connection with the Premises.
- 39.2 During the Term, the books, records and accounts required to be maintained pursuant to this Agreement shall be retained for a period of six (6) years, or such longer period that may be required by any assurance or law, and any records which are being so retained at the expiration or earlier termination of the Term shall be retained for a further period of six (6) years, or such longer period that may be required by any assurance or law from the date of said expiration or earlier termination. However, if at the expiration of any such six (6) year period, Public Sponsor has commenced proceedings or is contesting any matter relating to such records or any matter as to which such records may be relevant, Private Operator shall preserve such records until one (1) year after the final adjudication, settlement or other disposition of any such contest. The periods of time set forth in this ARTICLE will extend beyond the Scheduled Expiration Date or earlier termination of the Term. Such records shall be maintained at the offices of Private Operator at the Premises or at another location in Orleans Parish, State of Louisiana, reasonably accessible to Public Sponsor. Private Operator shall cooperate with Public Sponsor, without any charge by Private Operator therefor, with respect to such records

and the information available therefrom to the extent reasonably required to assist Public Sponsor in complying with any reporting and related obligations of Public Sponsor to the FAA in relation to the Premises. Upon forty-eight (48) hours written notice, Private Operator shall permit, during ordinary business hours, the examination, copying and audit by the officers, employees, agents and representatives of Public Sponsor of such records, books and accounts at Public Sponsor's cost and expense. If Private Operator fails to provide records and information in accordance with this Agreement, or if any of such records and information provided is inaccurate by more than five percent (5%) or fraudulently prepared, then Private Operator shall pay the reasonable costs and expenses of such audit.

- 39.3 The Secretary or any agency of the State of Louisiana charged with Fiscal or Administrative accountability of the public entities, including the LADOTD, shall each have the right, to the extent provided by the assurances or as provided under any applicable law, to audit Private Operator's operations, to evaluate Private Operator's internal control system and to engage independent accounting firms to conduct periodic audits of Private Operator's financial records and operations, including the relevant revenues and expenses under this Agreement. Private Operator accepts the right of the FAA to conduct periodic audits of the financial records and operations of the Airport under 49 U.S.C. § 47134(k).
- 39.4 Private Operator (which term, for the purpose of this ARTICLE shall be deemed to include any Affiliate of Private Operator directly or indirectly controlling Private Operator, any Affiliate of Private Operator having an interest in or conducting operations at any part of the Premises that are related to Private Operator's obligations under this Agreement, and any subsidiaries of Private Operator) shall furnish to Public Sponsor:
- (a) promptly after the sending or filing thereof, copies of all reports which Private Operator is obligated by law to send to its security holders, if any, and copies of all reports and registration statements which Private Operator files with the Securities and Exchange Commission, and thirty (30) days after Public Sponsor's request therefor, copies of all reports and registration statements which Private Operator files with any other securities exchange;

- (b) promptly after the filing or receiving thereof, copies of all reports and notices which Private Operator files with or receives from any Governmental Authority relating to the Premises or the operations thereon; and,
- (c) such other information respecting the financial arrangement of Private Operator in relation to the operations on the Premises as Public Sponsor may from time to time reasonably request.

39.5 Within ninety (90) days of the end of each Lease Year of the Term, Private Operator promptly shall deliver to Public Sponsor (a) a schedule of all Subleases, setting forth the names of all Subtenants, the spaces rented, the rentals to be paid therefor and the rentals actually received with respect thereto, the expiration dates of the Subleases, the security deposits held with respect to such Subleases, the amount of any Sublease mortgages, and such other related information as Public Sponsor may reasonably request and (b) copies of all operating and service contracts then in effect relating to the Premises. Within the same period of time, Private Operator shall submit to Public Sponsor an annual written report on the state of the Premises, including (a) a summary of air passenger and cargo activity for the previous year; (b) a discussion of the role of the Airport in addressing the transportation and economic development needs of the region during the previous year; and (c) long-range goals and objectives for the operation of services and facilities on the Premises.

39.6 Within forty-five (45) days of the end of each business quarter, Private Operator promptly shall deliver to Public Sponsor a Quarterly Statement. Within ninety (90) days of the end of each Lease Year of the Term, Private Operator promptly shall deliver to Public Sponsor an Annual Statement.

39.7 Should any audit performed pursuant to this ARTICLE disclose that any payment of Rent was understated, Private Operator shall remit payment of same to Public Sponsor within 30 days of notice of the completion of said audit. Should any audit pursuant to this ARTICLE disclose that any payment of Rent was overstated and paid, Public Sponsor shall credit the amount of such overpayment to the next payment(s) of Rent due by Private Operator.

39.8 Public Sponsor shall maintain, to the extent permitted by law, the confidentiality of all documents and information submitted pursuant to this Agreement. Private Operator hereby recognizes, however, that documents placed into the possession of Public Sponsor may be subject to disclosure under the Louisiana Public Records Law.

- 39.9 The obligations of Private Operator under this ARTICLE shall survive the expiration or earlier termination of this Agreement.

ARTICLE FORTY

CONSENTS AND APPROVALS

- 40.1 Whenever Private Operator requests any consent, permission, or approval which may be required or desired by Private Operator pursuant to the provisions hereof, Public Sponsor shall not unreasonably withhold a decision on such consent, permission, or approval, and such consent, permission or approval shall be in the sole discretion of Public Sponsor, unless pursuant to an express provision herein, it is provided that consent, permission or approval shall not be unreasonably withheld by Public Sponsor.
- 40.2 All consents and approvals which may be given under this Agreement shall, as a condition of their effectiveness, be in writing. The granting of any consent or approval or the failure to object to action taken without required consent or approval shall not be deemed a waiver to require such consent or approval for any further similar act.
- 40.3 If Private Operator shall request Public Sponsor's consent or approval, and Public Sponsor shall fail or refuse to give such consent or approval, Private Operator shall have no recourse against Public Sponsor for Public Sponsor's withholding of its consent or approval, except solely in those instances in which Public Sponsor has acted unreasonably and Public Sponsor has expressly agreed in this Agreement not to unreasonably withhold, condition or delay its consent or approval. Private Operator's sole recourse against Public Sponsor for the withholding of Public Sponsor's consent or approval in those instances in which such recourse is permitted under this ARTICLE shall be limited to declaratory relief that the withholding of such consent or approval was unreasonable, except as provided hereinabove. In no event shall Private Operator be entitled to any damages for any withholding by Public Sponsor of its consent or approval, unless such approval may not be unreasonably withheld, and the withholding of approval is arbitrary and capricious. Public Sponsor's withholding of its consent or approval to any action which Public Sponsor reasonably determines may not comply with the FAA Agreements, FAA rules or regulations, or is detrimental to flood protection obligations or which Public Sponsor determines are in conflict with its financial interest shall be deemed to be reasonable.

- 40.4 If, pursuant to the terms of this Agreement, any consent or approval by Public Sponsor or Private Operator is not to be unreasonably withheld, such consent or approval shall, in addition, not be unreasonably delayed or unreasonably conditioned, unless specific time periods are provided therefor, in which event such specific time periods shall govern.

ARTICLE FORTY-ONE

GENERAL PROVISIONS

- 41.1 **Captions and/or Headings.** Captions and/or Headings are inserted only as a matter of convenience and for reference, and they in no way define, limit or describe the scope or intent of any provision hereof.
- 41.2 **Quiet Enjoyment.** Public Sponsor agrees that Private Operator, upon paying all rentals and fees hereunder and performing all the obligations, terms and provisions of this Agreement on its part to be performed, shall and may peaceably and quietly have the right to operate and use the Premises as provided herein, free of any act or acts of Public Sponsor, except as expressly permitted in this Agreement, and subject, however, to the Existing Agreements, reservations, terms and conditions of this Agreement and free of any encumbrance created or suffered by Public Sponsor.
- 41.3 **Force Majeure.** Neither Party shall be held liable or responsible for any damages or for noncompliance with this Agreement, in whole or in part, if such damages or noncompliance results from a failure to perform due to a Force Majeure, provided that the affected Party promptly notifies the other Party of its noncompliance and the cause and estimated duration thereof and at all times uses its diligent efforts to remove or remedy the cause of such failure to perform. Performance under this Agreement in case of Force Majeure shall be suspended until cessation of the applicable cause, unless the circumstances otherwise permit without undue hazard in the reasonable opinion of the performing Party. The foregoing notwithstanding, in no event shall the duty to pay Rent be affected by any event of Force Majeure.
- 41.4 **Non-liability of Individuals.** No commissioner, officer, agent, employee, government official, elected representative, director, shareholder, principal, attorney, and all of their successors and assigns of any Party hereto shall be charged personally or held contractually liable, tortiously liable, or liable under any theory of law, by or to the other Party under any term or provision of this Agreement, or of any supplement, modification or amendment to this Agreement,

because of any breach thereof, or execution or attempted execution of the same, except as may expressly be agreed to in writing by the Party to be charged. Notwithstanding the foregoing, the Person or Persons executing this Agreement on behalf of Public Sponsor and Private Operator respectively represent that such Person is duly authorized to execute this Agreement.

41.5 **Remedies to be Non-exclusive.** All remedies provided in this Agreement shall be deemed cumulative and additional to and not in lieu of or exclusive of, each other, or of any other remedy available to Public Sponsor or Private Operator, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities, shall not prevent the exercise or election of any other remedy.

41.6 **Governing Law.** This Agreement, and the rights and obligations of the Parties hereto, shall be governed by the substantive laws of the State of Louisiana, including any limitation or prescriptive period that apply to any dispute, but excluding those relating to conflicts of law. The application of the substantive laws of the State of Louisiana shall also apply in any arbitration proceeding instituted under the terms of this Agreement. Any action to compel arbitration or to enforce any arbitration award, and any procedural matters related to any arbitration proceeding not governed by the commercial rules of the American Arbitration Association shall be governed by the provisions of the Louisiana Binding Arbitration Act, La.Rev.Stat. 9§4201, et seq.

41.7 **Holding Over.** Any holding over by Private Operator after the expiration or sooner termination of this Agreement shall be treated as a daily tenancy at a rate equal to two (2) times the rental (prorated on a daily basis) then in effect and other charges herein provided. Private Operator shall also pay to Public Sponsor all damages (direct or indirect) sustained by reason of any such holding over. Nothing contained herein shall constitute the consent, express or implied, of Public Sponsor to the holding over of Private Operator after the expiration or earlier termination of this Agreement. In no event shall any holding over by Private Operator be considered, construed or treated as a reconduction of this Agreement under the laws of the State of Louisiana.

41.8 **Estoppel Certificates.** At any time and from time to time, upon not less than ten (10) days prior notice, either Party shall furnish to the requesting Party an Estoppel Certificate certifying that this Agreement is unmodified and in full force and effect (or that this Agreement is in full

force and effect as modified and setting forth the modifications), the date to which the Rent has been paid, that no Event of Default has occurred and is continuing or, if a Event of Default shall exist, specifying in reasonable detail the nature thereof, and the steps being taken to remedy the same, and such additional information as Public Sponsor may reasonably request.

- 41.9 **No Broker.** Each Party hereby represents and warrants to the other that it has not engaged, dealt with or otherwise discussed this transaction with any broker, agent or finder. Each Party represents and warrants to the other that it will not pay any type of fee or commission to any Person for any reason whatsoever related to this transaction. Each Party agrees to defend, indemnify and hold the other forever harmless from and against any claim arising out of any type of the foregoing Agreements and representation and warranty.
- 41.10 **Invalidity.** If any term or provision of this Agreement or the application thereof to any Person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law. Notwithstanding the foregoing, where any provision of this Agreement permits the reformation of any term or provision herein that is invalid or unenforceable, said provision authorizing reformation shall be applied consistent with the intent of the Parties as expressed in said provision.
- 41.11 **Waiver of Jury Trial.** Public Sponsor and Private Operator hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the Parties hereto against the other on or with respect to any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of lessor and lessee hereunder, Private Operator's use or occupancy of the Premises, and/or any claim of injury or damage.
- 41.12 **Enforcement of Agreement and Attorney's Fees.** In the event Public Sponsor is required or elects to take legal action, or institute arbitration proceedings as provided herein, to enforce against Private Operator the performance of Private Operator's obligations under this Agreement, then Private Operator shall immediately reimburse Public Sponsor for all costs and expenses including, without limitation, reasonable attorney's fees, incurred by Public Sponsor in any successful prosecution of such legal action or arbitration proceedings. In the event

Private Operator is required or elects to take legal action, or institute arbitration proceedings as provided herein, to enforce against Public Sponsor the performance of Public Sponsor's obligations under this Agreement, then Public Sponsor shall immediately reimburse Private Operator for all costs and expenses including, without limitation, reasonable attorney's fees, incurred by Private Operator in any successful prosecution of such legal action or arbitration proceedings.

- 41.13 **Interpretation.** Private Operator hereby acknowledges: (1) Private Operator has been represented by competent legal counsel of its choice; (2) This Agreement has been drafted through the mutual efforts of Public Sponsor and Private Operator; (3) This Agreement is the product of non-binding negotiations, and; (4) Private Operator hereby agrees that any rule of law or legal decision that would require interpretation of any term or condition of this Agreement against any party by reason of such term or condition of this Agreement having been drafted by or on behalf of such party shall have no application and is expressly waived.
- 41.14 **Changes in Law and/or Regulatory Bodies.** The Parties acknowledge that during the Term there are likely to be changes in the regulatory framework applicable to the Airport and this Agreement. All references to specific regulatory bodies and specific laws and regulations shall refer to those bodies, laws and regulations, and their respective successors. The Parties will negotiate in good faith any amendments to this Agreement reasonably required from time to time to confirm such revisions and changes in applicable regulations and law.
- 41.15 **Relationship of Parties.** Nothing contained in the Agreement shall be deemed to create a partnership or joint venture of or between Public Sponsor and Private Operator, or to create any other relationship between the Parties other than that of lessor and lessee.
- 41.16 **Attornment.** Private Operator shall in the event of the sale or assignment of Public Sponsor's interest in the Premises attorn to the purchaser and recognize such purchaser as lessor and Public Sponsor under this Agreement.
- 41.17 **Recordation of Agreement.** Neither Public Sponsor nor Private Operator shall be obligated to record this Agreement. Private Operator may record an extract or a memorandum of this Agreement in recordable form reasonably satisfactory to both Parties, specifying all information required by Louisiana law. Private Operator shall be responsible to pay all costs and taxes, including any documentary transaction tax, connected with said recordation.

- 41.18 **Nature of Lease.** Except to the extent expressly set forth herein to the contrary, any and all costs and expenses relating to the Premises and/or the use thereof and/or activities thereon by Private Operator, whether foreseen or unforeseen, shall be paid by Private Operator at its sole cost and expense; and, Public Sponsor shall receive the Rent and all other payments hereunder to be paid by Private Operator, free from any charges, assessments, taxes, impositions, expenses, repairs, or deductions of any and every kind or nature whatsoever, all of which are assumed hereunder and shall be paid by Private Operator.
- 41.19 **Table of Contents.** The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Agreement or as supplemental thereto or amendatory thereof.
- 41.20 **Successors and Assigns.** The use herein of the words “successors and assigns” of Public Sponsor or Private Operator shall be deemed to include the successors, legal representatives and assigns of Public Sponsor or Private Operator.
- 41.21 **Including.** The use herein of the words “including,” “includes,” or “include” in every instance shall be construed to be followed by the phrase “without limitation.”
- 41.22 **ARTICLES, Sections or Exhibits.** All references in this Agreement to “ARTICLES,” “Sections” or “Exhibits” shall refer to the designated ARTICLES, Sections, or Exhibits, as the case may be, of this Agreement.
- 41.23 **Statutes.** All references to statutes shall mean each such statute as it may be amended, modified, supplemented, renewed or replaced, and any successor thereto, and the regulations promulgated thereunder. All references to regulations and rules shall mean each such regulation and rule as it may be amended, modified, supplemented, renewed or replaced, and any successor thereto.
- 41.24 **Public Sponsor and/or Lessor.** The term “Public Sponsor and/or Lessor” as used in this Agreement means only the owner at the time in question of the present Public Sponsor’s interest in the Premises, so that if the Public Sponsor named herein or any successor to its interest hereunder ceases to have any interest in the Premises under this Agreement or there is at any time or from time to time any sale or sales or disposition or dispositions or transfer or transfers of Public Sponsor’s or any successor’s interest in the Premises, Public Sponsor named

herein or any such successor, as the case may be, shall be and hereby is entirely freed and relieved of all Agreements, covenants and obligations of Public Sponsor hereunder, except for Public Sponsor's environmental obligations under the terms of this Agreement that are imposed by operation of law, to be performed on or after the date of such sale or transfer, and it shall be deemed and construed without further agreement between the Parties or their successors in interest or between the Parties and the Person who acquires or owns Public Sponsor's interest in the Premises under this Agreement, including, the purchaser or transferee in any such sale, disposition or transfer, that, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Public Sponsor hereunder to be performed from and after the date of such acquisition, sale or transfer.

- 41.25 **Merger.** There shall be no merger of this Agreement or the leasehold estate created hereby with the fee estate in the Premises or any part thereof by reason of the same Person acquiring or holding, directly or indirectly, this Agreement or the leasehold estate created hereby or any interest in this Agreement or in such leasehold estate, as well as the fee estate in the Premises or any part thereof.
- 41.26 **Movables.** This Agreement shall not under any interpretation of the terms and conditions of this Agreement be deemed to include any movable (personal) property owned by Public Sponsor and located on the Premises on the Commencement Date.
- 41.27 **Fuel Purchase.** On the Commencement Date, Private Operator may purchase from Public Sponsor all of the fuel at the Fuel Farm at a price equal to the greater of the cost paid for such fuel or the market value of such fuel determined as of the Commencement Date, plus any and all applicable taxes, or as otherwise mutually agreed upon by the parties. In the event that Private Operator does not purchase the fuel stored at the Fuel Farm, Public Sponsor agrees to dispose of the fuel prior to the Commencement Date.
- 41.28 **Notice.** Within five (5) business days of receipt, Private Operator shall provide Public Sponsor with a copy of any complaint, summons, petition or citation served upon Private Operator and with a copy of any document served on Private Operator in connection with an administrative action brought by a Governmental Authority.
- 41.29 **Agreement does not Establish a Front Line of Development in Zone 5.** In accordance with Board Resolution No. 3-012302, Public Sponsor hereby declares that it is not establishing a front line of development in the bed of Lake Pontchartrain in the area designated as "Zone 5"

in LA. Rev. Stat. Ann. 38§ 307(B)(2), wherein the Leased Premises are located, by entering into this Agreement with Private Operator; that Public Sponsor hereby expressly reserves its statutory right to in its sole discretion establish a front line of development in said Zone 5; and, that until such time as a front line of development is formally established by the Public Sponsor by Resolution duly adopted, that no front line of development in the bed of Lake Pontchartrain shall be established in said Zone 5, all as stated in said Board Resolution No. 3-012302.

41.30 **Public Purpose; Economic Benefit.** Public Sponsor and Private Operator hereby acknowledge and declare that the execution of this Agreement, the implementation of its provisions, the improvements to the Premises, and the development and construction of the Airport hereunder shall enhance the public benefit and welfare and therefore constitute a public purpose, in that it will prevent and combat community deterioration, increase employment opportunities in the City of New Orleans, increase and promote tourism and enhance tourist amenities, preserve and improve the aesthetic quality of the Lakefront Area in New Orleans, and generally inure to the economic health of the City of New Orleans, State of Louisiana; and, that the above-cited items constitute important public benefits to the City of New Orleans. Further, additional public benefits of this Agreement, the implementation of its provisions, and the development and improvement of the Airport include the increased sales tax revenue from the operation of the Airport on the Premises, together with other related commercial activities to take place on the Premises. Further, Public Sponsor and Private Operator acknowledge that the letting of this Agreement was done on the basis of an objective evaluation of factors relating to the public benefits and welfare, and the public purposes, hereinabove described, including but not limited to a high rental return, quality of products and services to be provided on the Premises, the financial stability of Private Operator, and overall economic importance of the Airport to the stimulation of commercial activity in the City of New Orleans.

ARTICLE FORTY-TWO

UNCONDITIONAL GUARANTY OF **AMERICAN AIRPORTS CORPORATION**

42.1 **AND NOW COMES, AMERICAN AIRPORTS CORPORATION** (sometimes hereinafter referred to as "American Airports" and/or "Guarantor"), and is made a Party to this Agreement and is bound with Private Operator JOINTLY, SEVERALLY, AND IN SOLIDO, for the

faithful execution of all the obligations to be performed hereunder on the part of Private Operator, and furthermore waives all rights to a release from this obligation due to Public Sponsor's failure to protest for non-payment of Rent or due to granting of any extensions or indulgences to Private Operator or any modifications of this Agreement, or due to the filing of a bankruptcy, receivership or respite petition by or against Private Operator or discharge in bankruptcy of Private Operator, or upon Private Operator's suspension, failure or insolvency, or to the appointment of a receiver for Private Operator by any competent court.

42.2 In consideration of and for the purpose of inducing Public Sponsor to enter into this Agreement with Private Operator, the Guarantor hereby:

1. Unconditionally, absolutely, irrevocably, jointly, severally, and solidarily guarantees the performance and observance by Private Operator of all the terms, covenants and conditions of the Agreement, whether according to the present terms thereof, or according to any change or changes in the terms, covenants and conditions thereof, now or at any time hereafter made or granted (all of the aforesaid obligations, and liabilities, plus interest, attorney's fees and all expenses mentioned are hereafter collectively called the "Guaranteed Obligations").
2. Waives extension of time of payment of Rent and Impositions, indulgences and notices of every kind, and consents to any and all forbearances and extensions of the time of performance, and to any and all changes in the terms, covenants and conditions thereof hereafter made or granted; it being the intention and agreement hereof that the Guarantor shall remain unconditionally liable as a principal obligor, i.e., Private Operator, as, to and until the Guaranteed Obligations shall have been fully performed, and the terms, covenants and conditions of the Agreement shall have been fully performed and observed by Private Operator, notwithstanding any act, omission or thing which might otherwise operate as a legal or equitable discharge of Private Operator.
3. Agrees to pay Public Sponsor's reasonable attorney's fees and all reasonable costs and other expenses which Public Sponsor expends or incurs in collecting or compromising any indebtedness hereby guaranteed, or in successfully

enforcing or defending this Guaranty against the undersigned, whether or not suit is filed.

4. Agrees that this Guaranty shall inure to the benefit of, and may be enforced by Public Sponsor, and any subsequent assignee of the Agreement, and shall be binding upon and enforceable against the Guarantor and its respective legal representative, successors or assigns. This Guaranty is assignable by Public Sponsor with respect to all or any portion of the Guaranteed Obligations, and when so assigned, the undersigned shall be liable to the assignees under this Guaranty, without in any manner affecting the liability of the undersigned hereunder.
5. Agrees that this Guaranty shall not be discharged, limited, impaired or affected by:
 - (a) The existence or continuance of any obligation on the part of Private Operator on or with respect to the Agreement guaranteed hereby;
 - (b) The power or authority of Private Operator or to execute, acknowledge or deliver the Agreement;
 - (c) The validity or invalidity of the Agreement;
 - (d) Any defenses, other than performance of the Guaranteed Obligations, whatsoever that Private Operator may or might have to the performance or observance of any of the covenants or conditions contained in the Agreement;
 - (e) The existence or non-existence of Private Operator as a legal entity;
 - (f) Any indulgence, alteration, substitution, modification or other disposition of any of the Obligations hereby guaranteed, all of which Public Sponsor is expressly authorized to make from time to time;
 - (g) Any defense, other than the performance of the Guaranteed Obligations and the full performance of the terms and conditions of the Agreement, in accordance with the terms thereof, that the Guarantor may or might have to its undertakings, liabilities and obligations hereunder, each and every such defense being hereby waived by the undersigned Guarantor;or

- (h) The operation of any present or future provision of the U. S. Bankruptcy Code or similar statute, or from the decision of any court, including without limitation, any proceedings with respect to the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, the marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, imposition or readjustment of, or other similar proceedings affecting Private Operator or any of its assets, it being expressly understood and agreed that no such proceeding shall affect, modify, limit or discharge the liability or obligation of any Guarantor hereunder in any manner whatsoever, and that Guarantor shall continue absolutely liable under this Guaranty to the same extent, and in the same manner, as if such proceedings had not been instituted.
7. Waives the benefit or right to assert any statute of limitations affecting Guarantor's liability hereunder, or the enforcement thereof to the extent permitted by law, and further agrees that neither the obligations of payment and performance in accordance with the terms hereof, nor any remedy for the enforcement thereof, shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, changes, release or limitation of liability of Private Operator, or its estate in bankruptcy, or of any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the U. S. Bankruptcy Code or other statute, or from the decision of any court.
8. Agrees that no provision of this Guaranty or right of Public Sponsor hereunder can be waived, nor can the Guarantor be released from any obligation hereunder, except by a written document duly executed by an authorized officer of Public Sponsor.
9. Agrees that this is a continuing Guaranty, and the liability of the Guarantor hereunder shall continue, in full force and effect, until the Guaranteed

Obligations are fully performed and discharged in accordance with the respective terms and tenor hereof.

10. Agrees that should a claim ("Recovery Claim") be made upon Public Sponsor at any time for recovery of any amount received by Public Sponsor in payment of the Guaranteed Obligations, whether received from Private Operator, the Guarantor pursuant hereto, or otherwise, and should Public Sponsor repay all or part of said amount by reason of (1) any judgment, decree, or order of any court or administrative body having jurisdiction over Public Sponsor or any of its property, or (2) any settlement or compromise of any such Recovery Claim effected by Public Sponsor with the claimant (including Private Operator), the Guarantor shall remain jointly, severally, and solidarily liable to Public Sponsor for the amount so repaid to the same extent as if such amount had never originally been received by Public Sponsor.
11. Agrees that to the extent that Private Operator is either a partnership or a corporation or a limited liability company, and to the undersigned, respectively, shall be deemed to include any successors, whether immediate or remote, to such partnership or corporation or limited liability company.
12. All notices or demands by Public Sponsor or the Guarantor to each other relating to this Guaranty shall be in writing and either personally served by hand delivery or sent by United States mail, sufficient postage prepaid, registered mail or certified mail return receipt requested, or sent by a nationally recognized overnight commercial delivery service, or by hand delivery and shall be deemed to be given for purposes of this Guaranty on the day that such writing is received by the Party to whom it is sent. Unless otherwise specified in a notice sent or delivered in accordance with the provisions of this ARTICLE, such writing shall be sent, if to Guarantor, then to the attention of at Guarantor's address set forth below, and if to Public Sponsor, as provided hereinabove in the Agreement:

American Airports Corporation
Attn: Robert A. Clifford
2951 28th Street
Suite 300
Santa Monica, CA 90405

13. Agrees that wherever possible each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.
14. Agrees that the following shall constitute representations and warranties of the Guarantor, and Guarantor acknowledges that Public Sponsor intends to make this Agreement guaranteed hereby in reliance thereon:
 - (a) To the best knowledge of Guarantor based upon reasonable investigation, the Guarantor is not in default under any Agreement to which it is a Party, the effect of which will materially impair performance by the Guarantor of its obligations pursuant to and as contemplated by the terms of this Guaranty, and neither the execution and delivery of this Guaranty nor compliance with the terms and provisions of law or any presently existing regulation, order, writ, injunction or decree of any court or governmental department, commission, board, bureau, agency or instrumentality, or will conflict or will be inconsistent with, or will result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, any agreement or contract of any kind which creates, represents, evidences or provides for any lien, charge or encumbrance upon any of the Guarantor, or any other indenture, deed of trust, instrument, document, agreement or contract of any kind of which the Guarantor is a party or by which it may be bound, or the event of any such conflict, the required consent or waiver of the other party or parties thereto has been validly granted, is in full force and effect and is valid and sufficient therefor.

- (b) To the best knowledge of the Guarantor based upon reasonable investigation, there are no actions, suits or proceedings pending or threatened against the Guarantor before any court or any governmental, administrative, regulatory, adjudicatory or arbitrational body or agency of any kind which will materially adversely affect performance by the Guarantor of its obligations pursuant to and as contemplated by the terms and provisions of this Guaranty.
 - (c) To the best knowledge of Guarantor based upon reasonable investigation neither this Guaranty nor any document or statement heretofore furnished or required herein to be furnished to Public Sponsor by the Guarantor contains any untrue statement of fact or omits to state a fact material to this Guaranty.
 - (d) Guarantor is currently informed of the financial condition of Private Operator and of all other circumstances which a diligent inquiry would reveal and which would bear upon the risk of nonperformance of the Guaranteed Obligations. Guarantor further represents and warrants to Public Sponsor that Guarantor will continue to keep informed of Private Operator's financial condition, the financial condition of other Guarantors, if any, and of all other circumstances which might bear upon the risk of nonpayment or nonperformance of the Guaranteed Obligations.
15. No remedy under this Guaranty is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder and those provided by law or in equity. No delay or omission by Public Sponsor to exercise any right under this Guaranty shall impair any such right nor be construed to be a waiver thereof. No failure on the part of Public Sponsor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

16. Guarantor agrees that Private Operator's books and records showing the indebtedness between Public Sponsor and Private Operator shall be admissible in any action or proceeding and shall be binding upon Guarantor for the purpose of establishing the items therein set forth and shall constitute prima facie proof thereof.
17. This Guaranty constitutes the entire Agreement between Guarantor and Public Sponsor pertaining to the subject matter contained herein, and may not be altered, amended, or modified, nor may any provision hereof be waived or noncompliance therewith consented to except by means of a writing executed by both Guarantor and Public Sponsor. Any such alteration, amendment, modification, waiver, or consent shall be effective only to the extent specified therein and for the specific purpose for which given. No course of dealing and no delay or waiver of any right or default under this Guaranty shall be deemed a waiver of any other similar or dissimilar right or default or otherwise prejudice the rights and remedies hereunder.
18. This Guaranty shall be binding upon Guarantor's successors and assigns and shall inure to the benefit of the successors and assigns of Public Sponsor.
19. Guarantor expressly represents and warrants unto Public Sponsor that the execution and delivery of this Guaranty has been duly authorized by a Resolution heretofore duly adopted in accordance with law, that said Resolution has not been amended nor rescinded, is in full force and effect, that the officer of the Guarantor executing and delivering this Guaranty, for and on behalf of the Guarantor, is duly authorized and empowered so to act, and that Public Sponsor, in accepting this Guaranty, is expressly relying upon the aforesaid representations and warranties.
20. Guarantor expressly agrees to provide to Public Sponsor at least annually such financial information as Public Sponsor may reasonably request, including but not limited to income tax returns, and failure to comply with this provision shall be an Event of Default hereunder.

21. Guarantor hereby acknowledges: 1) That it has been represented by competent legal counsel of its choice or has had the opportunity to retain legal counsel of its choice in connection with this Guaranty and the transaction involving execution of this Guaranty; 2) This Guaranty has been drafted through the mutual efforts of Public Sponsor and Guarantor; 3) This Agreement is the product of non-binding negotiations; and, 4) Guarantor agrees that any rule of law or legal decision that would require interpretation of any term in this Guaranty against any party by reason of such term or condition of this Guaranty having been drafted by or on behalf of such party shall have no application hereto and is expressly waived.
22. Notwithstanding any other provision of the Agreement or this Guaranty, Guarantor hereby expressly agrees that the validity of this Guaranty, its construction, interpretation, and enforcement, and the rights of Guarantor and Public Sponsor shall be determined under, governed by, and construed in accordance with the laws of the State of Louisiana, without regard to principles of conflicts of law. If there is any dispute arising out of or relating to this Guaranty between the parties, all such disputed matters, controversies or claims shall be submitted to representatives of the parties for good faith negotiations as provided under ARTICLE THIRTY- FOUR, Section 34.1 of the Agreement, and if not thereby resolved, shall be submitted to binding arbitration in accordance with and as provided under the terms and conditions of ARTICLE THIRTY-FOUR of the Agreement, except for claims relating to the failure of Private Operator to pay any Rent, and any actions related thereto against the Guarantor may be enforced by Public Sponsor in the manner authorized under the provisions of ARTICLE THIRTY- FOUR, Section 34.2. Guarantor, to the maximum extent permitted by law, hereby expressly waives any right(s) it may have to assert the doctrine of forum non convenience or to object to jurisdiction or venue to the extent any proceeding is brought in accordance with this ARTICLE.

23. Guarantor, to the maximum extent permitted by law, hereby expressly waives any right to trial by jury of any action, cause of action, claim, demand, or proceeding arising under or with respect to this Guaranty, or in any way connected with, related to, or incidental to the dealings of Guarantor and Public Sponsor with respect to this Guaranty, or the transaction related hereto, in each case whether now existing or hereafter arising, and whether sounding in contract, tort, or otherwise, and agrees that Public Sponsor may file an original counterpart of this ARTICLE with any court or other tribunal as written evidence of the consent of Guarantor to the waiver of its right to trial by jury.
24. No officer, director, shareholder or employee of Guarantor shall have any liability under this Guaranty.
25. The obligations of the Guarantor under this Guaranty shall survive the expiration or earlier termination of the Agreement; however, upon the complete satisfaction of the Private Operator's obligations under the Agreement, this Guaranty shall be terminated and be of no further force and effect.

IN WITNESS WHEREOF, the Public Sponsor, Private Operator and Guarantor have signed this Agreement, in quadruplicate originals, at New Orleans, Louisiana, on the day, month and year first above written.

WITNESSES:

Catherine J. Johnston

[Signature]

PUBLIC SPONSOR:

BOARD OF COMMISSIONERS OF
THE ORLEANS LEVEE DISTRICT

BY: James P. Huey
JAMES P. HUEY
PRESIDENT

WITNESSES:

[Signature]

[Signature]

PRIVATE OPERATOR:

AMERICAN AIRPORTS LAKEFRONT,
L.L.C.

BY: [Signature]
ROBERT A. CLIFFORD
AUTHORIZED REPRESENTATIVE

WITNESSES:

[Signature]

[Signature]

GUARANTOR:

AMERICAN AIRPORTS CORPORATION

BY: [Signature]
ROBERT A. CLIFFORD
VICE-PRESIDENT

ACKNOWLEDGMENT

UNITED STATES OF AMERICA

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, Gary G. Benoit, a Notary Public in and for the State and County aforesaid, on this 16th day of April, 2002, personally came and appeared,

JAMES P. HUEY

who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of the Board of Commissioners of the Orleans Levee District and that he executed the foregoing Agreement, that his signature thereto is his own true and genuine signature, and that he executed said Agreement as authorized by Resolutions duly adopted by the Board of Commissioners of the Orleans Levee District and the Special Airport Committee of the Board of Commissioners of the Orleans Levee District, and said Agreement was executed of his own free will and accord, and for the uses, purposes and considerations therein expressed. Thus done and passed on the day and date hereinabove written, in the presence of the undersigned competent witnesses, who have hereunto subscribed their names, together with said appearer, and me, said Notary, after reading the whole.

WITNESSES:

Catherine J. Johnston
Frank J. Hill

James P. Huey
JAMES P. HUEY

Gary G. Benoit
NOTARY PUBLIC

GARY G. BENOIT
Notary Public, Parish of Orleans, State of Louisiana
My commission is issued for life.

ACKNOWLEDGMENT

UNITED STATES OF AMERICA

STATE OF California

COUNTY OF Los Angeles

BEFORE ME, Elyse Cook, a Notary Public in and for the State and County aforesaid, on this 18th day of April, 2002, personally came and appeared,

ROBERT A. CLIFFORD

who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the authorized representative of American Airports Lakefront, L.L.C., and that he executed the foregoing Agreement, that his signature thereto is his own true and genuine signature, and that he executed said Agreement as authorized by a Resolution duly adopted by the Members of American Airports Lakefront, L.L.C., and said Agreement was executed of his own free will and accord, and for the uses, purposes and considerations therein expressed. Thus done and passed on the day and date hereinabove written, in the presence of the undersigned competent witnesses, who have hereunto subscribed their names, together with said appearer, and me, said Notary, after reading the whole.

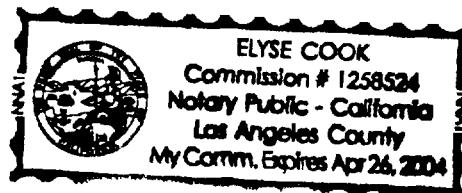
WITNESSES:

Phyllis Arlen

Dawn Matteen

Robert A. Clifford
ROBERT A. CLIFFORD

Elyse Cook
NOTARY PUBLIC



ACKNOWLEDGMENT

UNITED STATES OF AMERICA

STATE OF California
County
PARISH OF Los Angeles

BEFORE ME, Elyse Cook, a Notary Public in and for the
State and Parish aforesaid, on this 18th day of April, 2002, personally came and appeared,

ROBERT A. CLIFFORD

who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Vice-President of American Airports Corporation, and that he executed the foregoing Agreement, that his signature thereto is his own true and genuine signature, and that he executed said Agreement as authorized by a Resolution duly adopted by the Board of Directors of American Airports Corporation, and said Agreement was executed of his own free will and accord, and for the uses, purposes and considerations therein expressed.

Thus done and passed on the day and date hereinabove written, in the presence of the undersigned competent witnesses, who have hereunto subscribed their names, together with said appearer, and me, said Notary, after reading the whole.

WITNESSES:

[Signature]

[Signature]
ROBERT A. CLIFFORD

[Signature]

[Signature]
NOTARY PUBLIC



EXHIBIT "A"

**RESOLUTIONS OF THE BOARD OF COMMISSIONERS OF THE
ORLEANS LEVEE DISTRICT, SPECIAL AIRPORT COMMITTEE
OF THE ORLEANS LEVEE BOARD, AMERICAN AIRPORTS
LAKEFRONT, L.L.C. AND AMERICAN AIRPORTS CORPORATION**

MOTION: S1-032702
RESOLUTION: S1-032702
BY: President James P. Huey
SECONDED BY: Commissioner Patricia W. Harris

March 27, 2002

RESOLUTION

WHEREAS, the Orleans Levee District owns, operates and manages the New Orleans Lakefront Airport, located on the south shore of Lake Pontchartrain, in the Parish of Orleans, State of Louisiana, and

WHEREAS, a means of achieving the objective of efficiently operating the Airport is to privatize its operations, through an agreement with a private company qualified to manage and operate a general aviation airport under the Federal Airport Privatization Pilot Program, 49 U.S.C. §47134, and

WHEREAS, pursuant to Resolution No. 5-021600 of February 16, 2000, the Board's consultant, Infrastructure Management Group, Inc., prepared and issued a Request for Qualifications from qualified bidders interested in entering into a long-term lease agreement for the New Orleans Lakefront Airport, and responses thereto were received and evaluated by the Board's consultant, Infrastructure Management Group, Inc., and

WHEREAS, by Resolution No. 2-041900 of April 19, 2000, the Board delegated to the Special Airport Committee the tasks of selecting a "short-list" of firms and issuing a Request for Proposals for a long-term lease agreement for the New Orleans Lakefront Airport, and attending to all matters connected therewith, and

WHEREAS, a Request for Proposals was issued and responses thereto were received in November, 2000; and, subsequently, the responses were reviewed and considered by the Board's consultant and the Special Airport Committee, and

WHEREAS, after considering the responses to the said Request for Proposals, the Special Airport Committee accepted the recommendation of the Board's consultant and selected TBI Airport Management, Inc. and American Airports Corporation for continued discussions for the proposed privatization, and

WHEREAS, at a meeting held on May 1, 2001, recommendations of the Board's consultant and the Orleans Levee District Staff were presented to the Special Airport Committee, and after consideration of said recommendations, the Special Airport Committee recommended the establishment of a Negotiating Committee to engage in parallel negotiations with TBI Airport Management, Inc. and American Airports Corporation for a long-term lease of the New Orleans Lakefront Airport, and

WHEREAS, by Resolution No. 3-051601 on May 16, 2001, the Board approved parallel negotiations for a long-term lease of New Orleans Lakefront Airport with TBI Airport Management, Inc. and American Airports Corporation, and established a Negotiating Committee authorized to conduct said parallel negotiations with the assistance of the Board's Consultant and Legal Counsel, and

WHEREAS, said parallel negotiations were completed and the Board's Consultant made recommendations to the Special Airport Committee at a meeting held on August 7, 2001 for the selection of American Airports Corporation as the private operator for a long-term lease of the New Orleans Lakefront Airport and for the approval of terms and conditions of said lease, and

WHEREAS, at the meeting held on August 7, 2001, after considering the recommendations of the Board's Consultant, and considering said recommendations to be in the best interest of the Orleans Levee District, the Special Airport Committee resolved to recommend to the Board the selection

of American Airports Corporation as the private operator for a long-term lease of the New Orleans Lakefront Airport and to recommend approval of the terms and conditions of said lease presented by the Board's Consultant and Legal Counsel, and

WHEREAS, the Board at a Special Meeting held on August 7, 2001, considered the recommendations of the Special Airport Committee to be in the best interest of the Orleans Levee District, and by Resolution No. S1-080701 approved the selection of American Airports Corporation as the private operator for a long-term lease of the New Orleans Lakefront Airport, and approved the general terms and conditions presented by the Board's Consultant and Legal Counsel for a long-term lease of the New Orleans Lakefront Airport with American Airports Corporation, and

WHEREAS, by Resolution No. S1-080701, the Board also authorized the Special Airport Committee to review and approve any changes in the approved lease terms and conditions made during final negotiations with American Airports Corporation and authorized the Special Airport Committee to approve a lease of the New Orleans Lakefront Airport with American Airports Corporation or a legal entity established by American Airports Corporation to act as the Lessee/Private Operator under the terms of said lease to be unconditionally guaranteed by American Airports Corporation, and

WHEREAS, the Special Airport Committee, at a Special Meeting held on March 22, 2002, considered the recommendations of the Negotiating Committee, the Board's Consultant and Legal Counsel on a proposed Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport with American Airports Lakefront, L.L.C., a legal entity established by American Airport Corporation and its local partner, United Professionals Company, L.L.C., to act as the

lessee/private operator under the terms of said lease to be unconditionally guaranteed by American Airports Corporation, and

WHEREAS, the Special Airport Committee, pursuant to the authority granted under Board Resolution No. S1-080701, at its Special Meeting of March 22, 2002, approved, by Resolution No. S1-032202, the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C. submitted by the Negotiating Committee, Board's Consultant and Legal Counsel, and authorized the President of the Board of Commissioners of the Orleans Levee District to sign the Agreement, and to sign and file with the Federal Aviation Administration the Final Application for Exemptions under the Federal Airport Privatization Pilot Program, 49 U.S.C. §47134, for the privatization of the New Orleans Lakefront Airport; and

WHEREAS, the Board, in its Special Meeting held on March 27, 2002, considered the action taken by the Special Airport Committee at its Special Meeting held on March 22, 2002, and considers same to be in the best interest of the Orleans Levee District.

BE IT HEREBY RESOLVED, That the Board approves the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C., as approved by the Special Airport Committee of the Orleans Levee Board.

BE IT FURTHER RESOLVED, That the execution of the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport with American Airports

Lakefront, L.L.C., the implementation of its provisions, the improvements to the Premises, and the development and improvement of the Airport shall enhance the public benefit and welfare and therefore constitute a public purpose, in that it will prevent and combat community deterioration, increase employment opportunities in the City of New Orleans, increase and promote tourism and enhance tourist amenities, preserve and improve the aesthetic quality of the Lakefront Area in New Orleans, and generally inure to the economic health of the City of New Orleans, State of Louisiana, and that the above-cited items constitute important public benefits to the City of New Orleans; and, further, additional public benefits of this Agreement, the implementation of its provisions, and the development and improvement of the Airport include the increased sales tax revenue from the operation of the Airport on the Premises, together with other related commercial activities to take place on the Premises; and, the letting of this Lease was done on the basis of an objective evaluation of factors relating to the public benefits and welfare, and the public purposes, hereinabove described, including but not limited to a high rental return, quality of products and services to be provided on the Premises, the financial stability of the Private Operator, and the overall economic importance of the Airport to the stimulation of commercial activity in the City of New Orleans.

BE IT FURTHER RESOLVED, That the Board hereby authorizes the President of the Board of Commissioners of the Orleans Levee District to sign and file with the Federal Aviation Administration the Final Application for Exemptions under the Federal Airport Privatization Pilot Program, 49 U.S.C. §47134, for the privatization of the New Orleans Lakefront Airport.

BE IT FURTHER RESOLVED, That the Board hereby authorizes the President of the Board of Commissioners of the Orleans Levee District to sign the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board and American Airports Lakefront, L.L.C., and any and all other documents necessary to carry out the above.

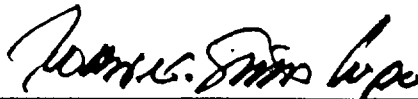
AYES: Commissioners Gusman, Harris, Landry, Willard-Lewis and Livingston

NAYS: Commissioner Wilson

ABSENT: Commissioner Lupo

RESOLUTION ADOPTED: Yes

THE FOREGOING IS CERTIFIED TO BE
A TRUE AND CORRECT COPY

A handwritten signature in black ink, appearing to read "Robert E. Smith Lupo", written over a horizontal line.

ROBERT E. SMITH LUPO, SECRETARY
THE BOARD OF COMMISSIONERS OF
THE ORLEANS LEVEE DISTRICT

MOTION: S1-032202

RESOLUTION: S1-032202

BY: Commissioner James E. Livingston
Chairman, Special Airport Committee

SECONDED BY: Commissioner Patricia W. Harris

March 22, 2002

RESOLUTION

WHEREAS, the Orleans Levee District owns, operates and manages the New Orleans Lakefront Airport, located on the south shore of Lake Pontchartrain, in the Parish of Orleans, State of Louisiana, and

WHEREAS, a means of achieving the objective of efficiently operating the Airport is to privatize its operations, through an agreement with a private company qualified to manage and operate a general aviation airport under the Federal Airport Privatization Pilot Program, 49 U.S.C. §47134, and

WHEREAS, pursuant to Resolution No. 5-021600 of February 16, 2000, the Board's consultant, Infrastructure Management Group, Inc. ("IMG") prepared and issued a Request for Qualifications from qualified bidders interested in entering into an Agreement of the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport, and responses thereto were received and evaluated by IMG, and

WHEREAS, by Resolution No. 2-041900 of April 19, 2000, the Board delegated to the Special Airport Committee the tasks of selecting a "short-list" of firms and issuing a Request for Proposals for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport, and attending to all matters connected therewith, and

WHEREAS, a Request for Proposals was issued and responses thereto were received in November of 2000, and, subsequently, the responses were reviewed and considered by IMG and the Special Airport

Committee, and

WHEREAS, after considering the responses to the said Request for Proposals, the Special Airport Committee accepted the recommendation of IMG and selected TBI Airport Management, Inc. and American Airports Corporation for continued discussions for the proposed privatization, and

WHEREAS, the two finalists made presentations to the Special Airport Committee at a meeting held on March 6, 2001, and IMG presented and reviewed the final proposals submitted by the two finalists to the Special Airport Committee at a meeting held on April 18, 2001, and

WHEREAS, at a meeting held on May 1, 2001, recommendations of IMG and of the Orleans Levee District Staff were presented to the Special Airport Committee, and after consideration of said recommendations, the Special Airport Committee recommended the establishment of a Negotiating Committee to engage in parallel negotiations with TBI Airport Management, Inc. and American Airports Corporation for an Agreement for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport, and

WHEREAS, by Resolution No. 3-051601 of May 16, 2001, the Board approved parallel negotiations for an Agreement for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport with TBI Airport Management, Inc. and American Airports Corporation, and established a Negotiating Committee authorized to conduct said parallel negotiations with the assistance of IMG and Legal Counsel, and

WHEREAS, said parallel negotiations were completed and IMG made recommendations to the Special Airport Committee at a meeting held on August 7, 2001, for the selection of American Airports Corporation as the private operator for an Agreement for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport and

for the approval of terms and conditions of said Agreement, and

WHEREAS, at the meeting held on August 7, 2001, after considering the recommendations of IMG, and considering said recommendations to be in the best interest of the Orleans Levee District, the Special Airport Committee resolved to recommend to the Board the selection of American Airports Corporation as the private operator for the Agreement for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport and to recommend approval of the terms and conditions of said lease presented by IMG and Legal Counsel, and

WHEREAS, the Board at a Special Meeting held on August 7, 2001, considered the recommendations of the Special Airport Committee to be in the best interest of the Orleans Levee District, and by Resolution No. S1-080701 of August 7, 2001, approved the selection of American Airports Corporation as the private operator for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport, and

WHEREAS, by Resolution No. S1-080701, the Board approved the general terms and conditions presented by IMG and Legal Counsel for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport with American Airports Corporation, and

WHEREAS, by Resolution No. S1-080701, the Board authorized the Special Airport Committee to review and approve any changes in the approved terms and conditions of the Agreement made during final negotiations with American Airports Corporation and authorized the Special Airport Committee to approve the Agreement for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport with American Airports Corporation or a legal entity established by American Airports Corporation to act as the Private Operator under the terms of said Agreement to be unconditionally guaranteed by American Airports

Corporation, and

WHEREAS, by Resolution No. S1-080701, the Board resolved that said Agreement with American Airports Corporation approved by the Special Airport Committee should be presented for review by the Board and for public comment on same and such comments should be secured during an evening public hearing, and

WHEREAS, the Special Airport Committee, in its Special Meeting held on March 22, 2002, considered the recommendations of the Negotiating Committee, IMG and Legal Counsel on a proposed Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport with American Airports Lakefront, L.L.C., a legal entity established by American Airport Corporation and its local partner, United Professionals Company, L.L.C., to act as the private operator under the terms of said Agreement to be unconditionally guaranteed by American Airports Corporation, and

WHEREAS, the Special Airport Committee, pursuant to the authority granted under Board Resolution No. S1-080701, in its Special Meeting of March 22, 2002, considers the recommendations of the Negotiating Committee, IMG and Legal Counsel to be in the best interest of the Orleans Levee District.

BE IT HEREBY RESOLVED, That the Special Airport Committee, pursuant to its authority granted under Board Resolution No. S1-080701, hereby approves the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C. submitted by the Negotiating Committee, IMG and Legal Counsel.

BE IT FURTHER RESOLVED, That the Special Airport Committee,

pursuant to its authority granted under Board Resolution No. S1-080701, hereby authorizes the President of the Board of Commissioners of the Orleans Levee District to file with the Federal Aviation Administration the Final Application for Exemptions under the Federal Airport Privatization Pilot Program, 49 U.S.C. §47134, for the privatization of the New Orleans Lakefront Airport.

BE IT FURTHER RESOLVED by the Special Airport Committee, That the execution of the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport with American Airports Lakefront, L.L.C., the implementation of its provisions, the improvements to the Premises, and the development and improvement of the Airport shall enhance the public benefit and welfare and therefore constitute a public purpose, in that it will prevent and combat community deterioration, increase employment opportunities in the City of New Orleans, increase and promote tourism and enhance tourist amenities, preserve and improve the aesthetic quality of the Lakefront Area in New Orleans, and generally inure to the economic health of the City of New Orleans, State of Louisiana, and that the above-cited items constitute important public benefits to the City of New Orleans; and, further, additional public benefits of this Agreement, the implementation of its provisions, and the development and improvement of the Airport include the increased sales tax revenue from the operation of the Airport on the Premises, together with other related commercial activities to take place on the Premises; and, the letting of this Agreement was done on the basis of an objective evaluation of factors relating to the public benefits and welfare, and the public purposes, hereinabove described, including but not limited to a high rental return, quality of products and services to be provided on the Premises, the financial stability of the Private Operator, and the overall economic importance of the

Airport to the stimulation of commercial activity in the City of New Orleans.

BE IT FURTHER RESOLVED, That the Special Airport Committee, pursuant to its authority granted under Board Resolution No. S1-080701, hereby authorizes the President to sign the Agreement for the Lease, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C., and the Final Application for an exemption under 49 U.S.C. § 47134 for privatization of New Orleans Lakefront Airport, and any and all documents necessary to carry out the above.

AYES: Commissioners Livingston, Gusman, Harris and Lupo

NAYS: None

ABSENT: None

RESOLUTION ADOPTED: Yes

THE FOREGOING IS CERTIFIED TO BE A
TRUE AND CORRECT COPY



ROBERT E. SMITH LUPO, SECRETARY
THE BOARD OF COMMISSIONERS OF
THE ORLEANS LEVEE DISTRICT

RESOLUTION OF THE MEMBERS OF
AMERICAN AIRPORTS LAKEFRONT, L.L.C.

We, the undersigned, being all of the Members of American Airports Lakefront, L.L.C. (the ~~Company~~), do hereby certify that the following resolutions were unanimously adopted by the Members of the Company at a meeting of the Members duly convened and held on the 5th day of April, 2002, to-wit:

BE IT RESOLVED, that American Airports Lakefront, L.L.C., be empowered, authorized and directed to finalize and execute an Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C. (the ~~Lease~~);

BE IT FURTHER RESOLVED, that Robert A. Clifford, as the duly authorized representative and officer of American Airports Corporation and either Robert Lane Sisung or Lawrence J. Sisung, Jr. are authorized to execute any and all documents on behalf of the Company reasonably necessary in order to complete and execute the Lease, including, but not limited to, the Lease, and to further execute any and all other documents reasonably deemed necessary in order to carry the above and foregoing Resolutions into effect;

BE IT FURTHER RESOLVED, that Robert A. Clifford, as the duly authorized representative of American Airports Corporation, and either Robert Lane Sisung or Lawrence J. Sisung, Jr. are authorized to execute and deliver on behalf of the Company all certifications and other instruments reasonably required pursuant to the finalization and execution of the Lease;

BE IT FURTHER RESOLVED, that Robert A. Clifford and either Robert Lane Sisung or Lawrence J. Sisung, Jr. are authorized to take all actions and do all things deemed necessary or appropriate by them, in their reasonable discretion, in furtherance of the purposes of these Resolutions; and

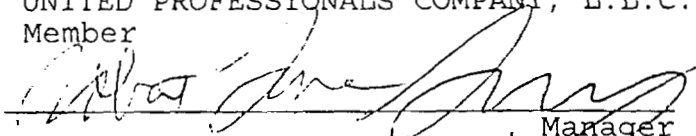
BE IT FURTHER RESOLVED, that all prior actions taken by Robert A. Clifford, and by either Robert Lane Sisung or Lawrence J. Sisung, Jr., which would have been authorized by these Resolutions and had such actions been taken after the adoption of these Resolutions, are hereby ratified and confirmed.

This is to certify that the above is a true and correct copy of the Resolutions unanimously adopted on motion duly made and seconded at a meeting of the Members held on April 5, 2002 and that said Resolutions are duly entered into the Minute Book of the Company and are now in full force and effect.

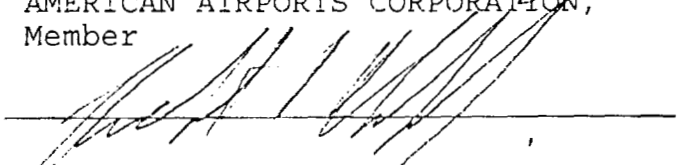
New Orleans, Louisiana, this 5th day of April, 2002

AMERICAN AIRPORTS LAKEFRONT, L.L.C.

BY: UNITED PROFESSIONALS COMPANY, L.L.C.,
Member

BY: 
Manager

BY: AMERICAN AIRPORTS CORPORATION,
Member

BY: 

SECRETARY'S CERTIFICATION
of RESOLUTIONS ADOPTED by the BOARD OF DIRECTORS
of AMERICAN AIRPORTS CORPORATION

I, Bonnie J. Mattern, being the duly authorized and elected Secretary of American Airports Corporation, a California corporation (the "Corporation"), do certify that the following resolutions were adopted, pursuant to California *Corporations Code* § 307(b), by unanimous written consent of the members of the Board of Directors of the Corporation and given effect as of April 5, 2002, to-wit:

BE IT RESOLVED, that the Corporation, as the Managing Member of American Airports Lakefront, L.L.C., a Louisiana limited liability company, is empowered, authorized and directed, on such terms and conditions as said Managing Member deems proper, to execute that certain instrument entitled "Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C." (hereinafter, the "Lease"); and

BE IT FURTHER RESOLVED, that the Corporation be empowered, authorized and directed to execute an Unconditional Guaranty of the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport by and between the Board of Commissioners of the Orleans Levee District and American Airports Lakefront, L.L.C. and that Robert A. Clifford, as Senior Vice President of the Corporation or Kristin Thabit as Chief Operating Officer of the Corporation, be and are hereby authorized as designated representatives of the Corporation, to execute said Unconditional Guaranty on behalf of the Company on such terms and conditions as he deems appropriate and proper.

BE IT FURTHER RESOLVED, that Robert A. Clifford, as Senior Vice President of the Corporation or Kristin Thabit as Chief Operating Officer of the Corporation, be and are hereby authorized as designated representatives of the Corporation, to execute any and all documents reasonably necessary in order to effectuate the Lease, including the Lease itself, and to further execute any and all other documents reasonably deemed necessary by the Corporation in order to carry the above and foregoing Resolutions into effect; and

BE IT FURTHER RESOLVED, that Robert A. Clifford, as Senior Vice President of the Corporation or Kristin Thabit as Chief Operating Officer of the Corporation, be and are hereby authorized as designated representatives of the Corporation, to

execute and deliver on behalf of the Corporation all certifications and other instruments, the delivery of which may be lawfully required in connection with the finalization and execution of the Lease; and

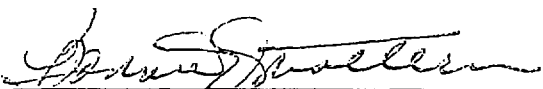
BE IT FURTHER RESOLVED, that Robert A. Clifford, as Senior Vice President of the Corporation or Kristin Thabit as Chief Operating Officer of the Corporation, be and are hereby authorized as designated representatives of the Corporation, to take all lawful actions deemed necessary or appropriate, in their reasonable discretion, in furtherance of the purposes of these Resolutions; and

BE IT FURTHER RESOLVED, that all prior actions taken by Robert A. Clifford, as Senior Vice President of the Corporation or Kristin Thabit as Chief Operating Officer of the Corporation, acting on behalf of the Corporation, which would have been authorized by these Resolutions had such actions been taken after the adoption of these Resolutions, are hereby ratified and confirmed.

This is to certify that the above is a true and correct copy of the Resolutions adopted by unanimous written consent of the Board of Directors of the Corporation and given effect as of April 5, 2002 and that said Resolutions are duly entered into the Minute Book of American Airports Corporation and are now in full force and effect.

Certified at Santa Monica, California, this 9th day of April, 2002

AMERICAN AIRPORTS CORPORATION,
a California domestic stock corporation

By: 
Bonnie Jean Mattern

Its: Corporate Secretary

EXHIBIT "B"

LEGAL DESCRIPTION AND SURVEY

A CERTAIN PORTION OF GROUND, together with all the buildings and improvements thereon and all the rights, ways, privileges, servitudes, advantages, and appurtenances thereunto belonging or in anywise appertaining, situated in the State of Louisiana, Parish of Orleans, Third Municipal District, City of New Orleans, designated as LAKEFRONT AIRPORT, bounded by Lake Pontchartrain, South Shore Harbor Marina, Southern Railroad, Hayne Boulevard (side), Downman Road and the Industrial Canal and is more fully described as follows:

COMMENCE at Monument Jewett, containing coordinates N: 560,690.4927, E: 3,688,774.2920 (NAD 83);

THENCE, N 60°38'25" E (Plan), N 60°38'13" E a distance of 4,504.17 feet to the POINT OF BEGINNING, being Monument Airport, containing coordinates N: 562,899.0743, E: 3,692,699.8160 (NAD 83), said point of beginning is located on top of a concrete bulkhead;

THENCE, along the aforesaid concrete bulkhead, N 01°28'32" W a distance of 48.95 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, along a curve to the right, in a northeasterly direction, with a radius of 1,112.72 feet, having an arc length of 829.92 feet, along a chord bearing of N 20°36'06" E a distance of 810.82 feet to a point, said point is marked by a cross (cut);

THENCE, along a wood bulkhead, N 01°22'35" W a distance of 3,381.44 feet to a point, marked by a 60d nail (set);

THENCE, continue along the aforesaid wood bulkhead, N 88°37'25" E a distance of 802.04 feet to a point, marked by a 60d nail (set);

THENCE, S 01°22'35" E a distance of 698.49 feet to a point, marked by a 60d nail (set);

THENCE, along a metal sheet pile wall, N 88°37'25" E a distance of 1,374.82 feet to a point;

THENCE, continue along a metal sheet pile wall, S 01°22'35" E a distance of 2,414.65 feet to a point;

THENCE, continue along a metal sheet pile wall, S 23°52'33" E a distance of 240.50 feet to a point;

THENCE, continue along a metal sheet pile wall, S 46°25'01" E a distance of 1,432.73 feet to a point that terminates at the beginning of a concrete bulkhead;

THENCE, along the aforesaid concrete bulkhead, S 45°49'50" E a distance of 1,649.29 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, N 69°04'40" E a distance of 312.04 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, S 21°12'13" E a distance of 392.03 feet to a point, marked by a cross (cut) said point is located 100.00 feet radially and to the north of the centerline of the north track of the Southern Railroad tracks;

THENCE, along the aforesaid line 100.00 feet radially and to the north of the centerline of the north track of the Southern Railroad tracks along a curve to the right in a southwesterly direction, with a radius of 78,464.71 feet, having an arc length of 6,294.40 feet, along a chord bearing of S 71°00'24" W a distance of 6,292.71 feet to a point marked by a P.K. nail (set);

THENCE, N 04°28'24" W a distance of 570.89 feet to a point on a concrete bulkhead, marked by a cross (cut);

THENCE, along the aforesaid concrete bulkhead, N 72°44'30" E a distance of 286.90 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, S 15°41'39" E a distance of 5.01 feet to a point, marked by a cross (cut);

THENCE, continue along the aforesaid concrete bulkhead, N 73°00'31" E a distance of 610.30 feet to a point, marked by a cross (cut).

THENCE, continue along the aforesaid concrete bulkhead, N 01°28'32" W a distance of 2,703.61 feet to the POINT OF BEGINNING, being at Monument Airport.

The above described portion of ground contains 20,587,184.69 square feet or 472.617 acres. All in accordance with a plan of survey by S. K. Turner, Registered Professional Land Surveyor, dated October 04, 2001. Drawing No. M-362-2001.

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EXHIBIT "C"
AIRPORT LAYOUT PLAN



CHAPTER 10 - AIRPORT LAYOUT PLANS

INTRODUCTION

The major improvements outlined in the preferred airfield, land use, terminal and surface transportation, and general aviation concepts are incorporated into the updated Airport Layout Plan (ALP) drawing set. The ALP is a group of drawings which serve as the primary tool for the guidance of growth at the Airport. The various drawings depict the recommendations contained within this Master Plan Update with regard to aviation development at the New Orleans Lakefront Airport. The ALP drawing set was reduced from its working size of 30" x 42" to be incorporated here for easy reference. The drawings in the ALP set include:

- Sheet 1 - Title Sheet*
- Sheet 2 - Data Sheet*
- Sheet 3 - Airport Layout Drawing*
- Sheet 4 - Airport Airspace and RPZ Drawing*
- Sheet 5 - Terminal Area Drawing-North*
- Sheet 6 - Terminal Area Drawing-South*
- Sheet 7 - Land Use Drawing*
- Sheet 8 - Airport Property Map Drawing*
- Sheet 9 - Airport Master Utility Drawing*

10.1 TITLE SHEET

This sheet serves as the Airport Layout Plan drawing set cover sheet and provides information to include the airport name, owner, location and ALP set preparer. An index of drawings, graphic representations of the airport location (scale 1" = 500,000") and the airport vicinity (scale 1" = 24,000") is also presented on the title sheet. Reference Sheet 1 in the New Orleans Lakefront Airport ALP drawing set which follows.

10.2 DATA SHEET

Included on this sheet are wind rose information, basic airport and runway data, and runway protection zone details. The wind rose data presented shows wind coverage for both All Weather as well as IFR and VFR conditions assuming a 10 knot crosswind component. The information presented in the Airport and Runway Data blocks cover the existing and future conditions of the Airport.

10.3 AIRPORT LAYOUT DRAWING

The Airport Layout Drawing is the graphical representation, to scale, of the existing and proposed airport facilities. It provides clearance and dimensional information required to show conformance with applicable FAA standards. The Airport Layout Drawing establishes the future configuration of all runways, taxiways and aprons and sets aside areas for the establishment of terminal support, general aviation and airport support facilities to meet the needs of the Airport through 2015. In addition, areas are shown which should be reserved for development beyond 2015 and/or areas which should be acquired either to maintain



commercial/charter passengers, terminal and other employees, and the general public. Phase I projects include a four-lane relocation of Lloyd Stearman Drive to the east and the demolition of roadway pavements near the new terminal site. Phase II projects involve the construction of the terminal area loop/circulation roadways and the construction of surface parking areas for public, employee and rental car vehicles.

Support facilities are proposed in the later two phases of the program. Phase II includes the provision for construction of all critical utility services as necessary support to the new passenger terminal complex. Improvements scheduled in Phase III include an expansion of the existing ARFF building.

10.4 AIRPORT AIRSPACE AND RPZ DRAWING

This sheet incorporates a graphic representation of the Imaginary Surfaces as described within FAR (Federal Aviation Regulation) Part 77, as well as 1 inch = 1,000 feet runway plans and profiles for all runways at the New Orleans Lakefront Airport. The Imaginary Surfaces are established in relation to the airport elevation and to each future runway end, and define those areas where the safe operation of aircraft necessitates that the height of objects be regulated. This regulation typically occurs through the establishment of height zoning ordinances by local governments. The size of each imaginary surface is based on the runway category and type of planned approach. It is recommended that the Orleans Levee Board attempt to have the modifications to the Imaginary Surfaces incorporated into local zoning plans to the extent possible. U.S.G.S. 7.5 minute quadrangle maps were used as the basemap for this sheet.

The runway end approach plans and profiles specifically provide an enhanced view of the areas overlayed by the runway protection zones off the ends of each runway. Existing approach slopes are noted as well as the ground profile along the runway centerline and beneath the approach surfaces to provide guidance in calculating exact distances between ground surfaces and approach surfaces. These drawings should be used by airport management to ensure that all obstructions penetrating the imaginary surfaces currently, are either removed or marked/lighted in an appropriate manner; and to assist in restricting potential obstructions from being built proximate to the Airport in the future.

10.5 TERMINAL AREA DRAWING - NORTH

The Terminal Area Drawing - North depicts, in greater detail, the proposed passenger terminal area identified on the Airport Layout Drawing. The facilities are presented at an enlarged scale of 1 inch = 100 feet. Both existing and future facilities are shown, with mapped roof and high-point elevations shown for existing structures and features.

10.6 TERMINAL AREA DRAWING - SOUTH

The Terminal Area Drawing - South depicts, in greater detail, improvements identified on the Airport Layout Drawing in the vicinity of the existing Administrative Building. The facilities are presented at an enlarged scale of 1 inch = 100 feet. Both existing and future facilities are shown, with mapped roof and high-point elevations shown for existing structures and features.



10.7 LAND USE DRAWING

The Land Use Drawing is a graphic representation indicating general developmental guidelines for all ultimate on-airport property and proposed acquisition areas. The principal purpose of this plan is to provide overall developmental guidance for the Airport and immediately adjacent areas influenced by the airport operation, if applicable. This "overview planning" is critical, because planned projects may be constructed ahead of schedule, and unanticipated but beneficial projects (e.g., aviation-related) may be desired. It is important for the Sponsor to have a general "roadmap" to follow as development options arise. The Land Use Drawing provides for such guidance by categorizing all areas of the Airport by specific functional use.

The on-airport functional use designations include: airfield operations area, passenger terminal area, military area, general aviation area, other aviation-related commercial areas, nonaviation commercial areas, open area, and airport support area.

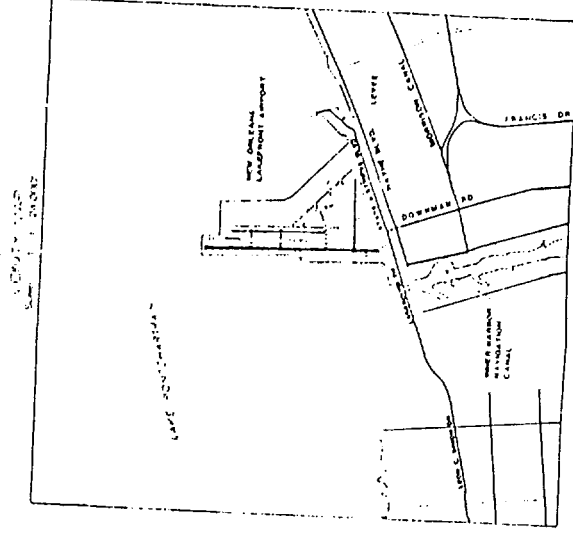
10.8 AIRPORT PROPERTY MAP DRAWING

The Airport Property Map, often referred to as the "Exhibit A", defines both graphically and in tabular form the airport boundary for the New Orleans Lakefront Airport. The purpose of this drawing is to provide information necessary for analyzing the current and future aeronautical use of land acquired with Federal funds. Also depicted on this sheet are proposed acquisition areas around the Airport and their respective acreages. For reference purposes, the major airport facilities both existing and ultimate are presented in the background. All existing metes and bounds data are current as of November 1995; however, these data have not been field verified.

10.9 AIRPORT MASTER UTILITY DRAWING

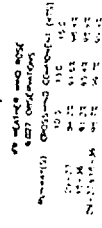
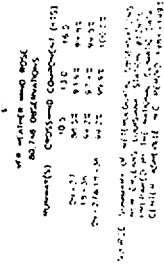
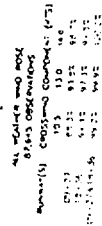
The Airport Master Utility Drawing is a graphical representation of the type, size, and routing of utilities on and serving the airport. Existing facilities are shown at a 1 inch = 400 feet scale. The legend indicates that natural gas, electricity, telephone, sewer, and stormwater drainage lines were inventoried as part of this task.

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<u>SHEET TITLE</u>	<u>SHEET NO.</u>
TITLE SHEET	1 OF 9
DATA SHEET	2 OF 9
AIRPORT LAYOUT DRAWING	3 OF 9
AIRPORT AIRSPACE & RPI DRAWING	4 OF 9
TERMINAL AREA DRAWING - NORTH	5 OF 9
TERMINAL AREA DRAWING - SOUTH	6 OF 9
LAND USE DRAWING	7 OF 9
AIRPORT PROPERTY MAP DRAWING	8 OF 9
AIRPORT MASTER UTILITY DRAWING	9 OF 9

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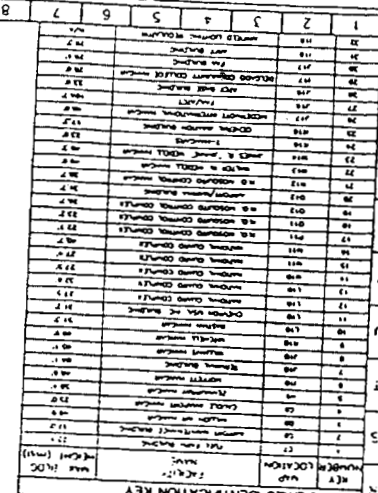
RUNWAY PROTECTION ZONE DATA												
RUNWAY END	RUNWAY VISIBILITY MINIMUMS		APPROACH SLOPE	ELEVATION			FPP - 1700-1750-2000					
	ENDING	FUTURE		ENDING	FASTING	FUTURE	A	B	C	A	B	C
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15	2 1/2 miles	3 miles	20.5	3 miles	6.6	3 miles	750	450	1000	500	700	500
30R	2 1/2 miles	3 miles	20.1	3 miles	7.1	6.5	750	450	1000	500	700	500
10R	2 1/2 miles	3 miles	20.1	3 miles	6.6	6.5	750	450	1000	500	700	500
34L	2 1/2 miles	4 3/4 miles	50.1	3 miles	2.9	6.5	1150	750	1750	500	700	500
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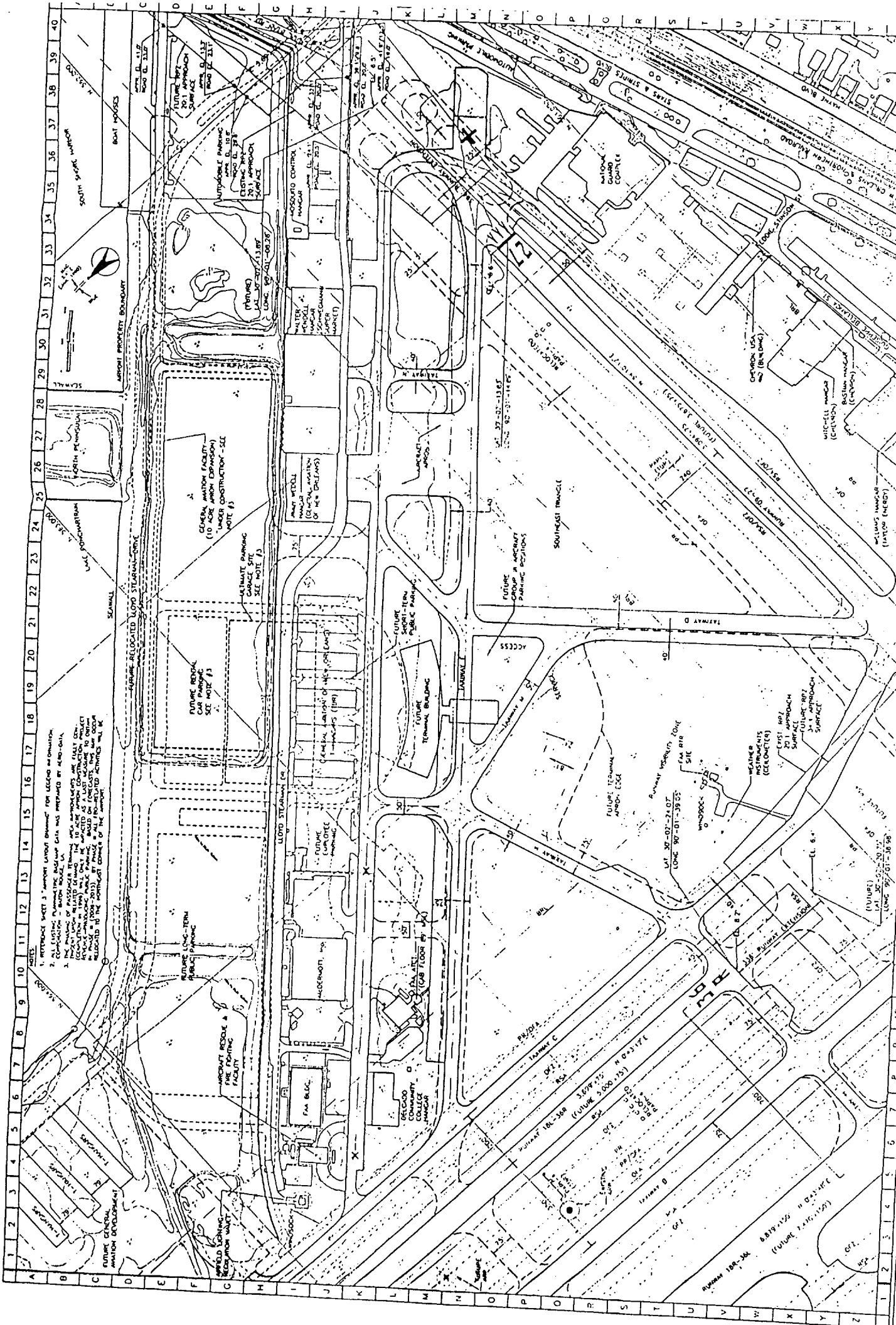
RUNWAY 18R-36L DECLARED DISTANCES				
PERFORMANCE DISTANCES	ENDING		THRESH	
	Rwy 18R	Rwy 36L	Rwy 18R	Rwy 36L
1000'	6.87"	6.87"	7.10"	7.10"
2000'	5.95"	6.87"	7.10"	7.10"
3000'	6.00"	5.95"	7.00"	7.10"
4000'	5.95"	5.11"	7.00"	7.00"

1000' = 1000' from runway
 2000' = 2000' from runway
 3000' = 3000' from runway
 4000' = 4000' from runway

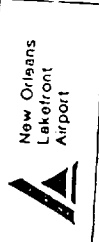
18R = 18000' distance from runway
 36L = 36000' distance from runway

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NOTES:
1. REFERENCE SHEET 3 "AIRPORT LAYOUT DRAWING" FOR LEGEND AND DIMENSIONS.
2. ALL EXISTING PLANNING AND DESIGN DATA HAS BEEN PREPARED BY AECOM, INC.
3. THE LAYOUT OF THE AIRPORT LAYOUT DRAWING IS BASED ON THE ASSUMPTION THAT THE AIRPORT WILL BE REDEVELOPED IN PHASES. THE PHASE I DEVELOPMENT WILL BE THE FIRST PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE II DEVELOPMENT WILL BE THE SECOND PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE III DEVELOPMENT WILL BE THE THIRD PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE IV DEVELOPMENT WILL BE THE FOURTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE V DEVELOPMENT WILL BE THE FIFTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE VI DEVELOPMENT WILL BE THE SIXTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE VII DEVELOPMENT WILL BE THE SEVENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE VIII DEVELOPMENT WILL BE THE EIGHTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE IX DEVELOPMENT WILL BE THE NINTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE X DEVELOPMENT WILL BE THE TENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XI DEVELOPMENT WILL BE THE ELEVENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XII DEVELOPMENT WILL BE THE TWELFTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XIII DEVELOPMENT WILL BE THE THIRTEENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XIV DEVELOPMENT WILL BE THE FOURTEENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XV DEVELOPMENT WILL BE THE FIFTEENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XVI DEVELOPMENT WILL BE THE SIXTEENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XVII DEVELOPMENT WILL BE THE SEVENTEENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XVIII DEVELOPMENT WILL BE THE EIGHTEENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XIX DEVELOPMENT WILL BE THE NINETEENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XX DEVELOPMENT WILL BE THE TWENTIETH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXI DEVELOPMENT WILL BE THE TWENTY-FIRST PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXII DEVELOPMENT WILL BE THE TWENTY-SECOND PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXIII DEVELOPMENT WILL BE THE TWENTY-THIRD PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXIV DEVELOPMENT WILL BE THE TWENTY-FOURTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXV DEVELOPMENT WILL BE THE TWENTY-FIFTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXVI DEVELOPMENT WILL BE THE TWENTY-SIXTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXVII DEVELOPMENT WILL BE THE TWENTY-SEVENTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXVIII DEVELOPMENT WILL BE THE TWENTY-EIGHTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXIX DEVELOPMENT WILL BE THE TWENTY-NINTH PHASE OF THE AIRPORT LAYOUT DRAWING. THE PHASE XXX DEVELOPMENT WILL BE THE THIRTIETH PHASE OF THE AIRPORT LAYOUT DRAWING.



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NEW ORLEANS LAKEFRONT AIRPORT
NEW ORLEANS, LOUISIANA

TERMINAL AREA DRAWING - NORTH



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NEW ORLEANS LAKEFRONT AIRPORT

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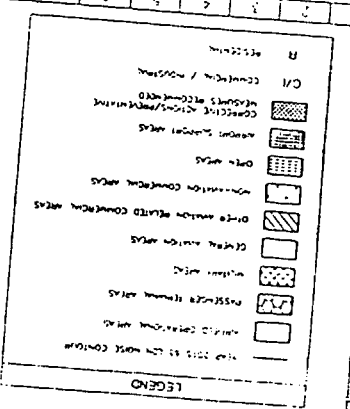
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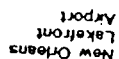
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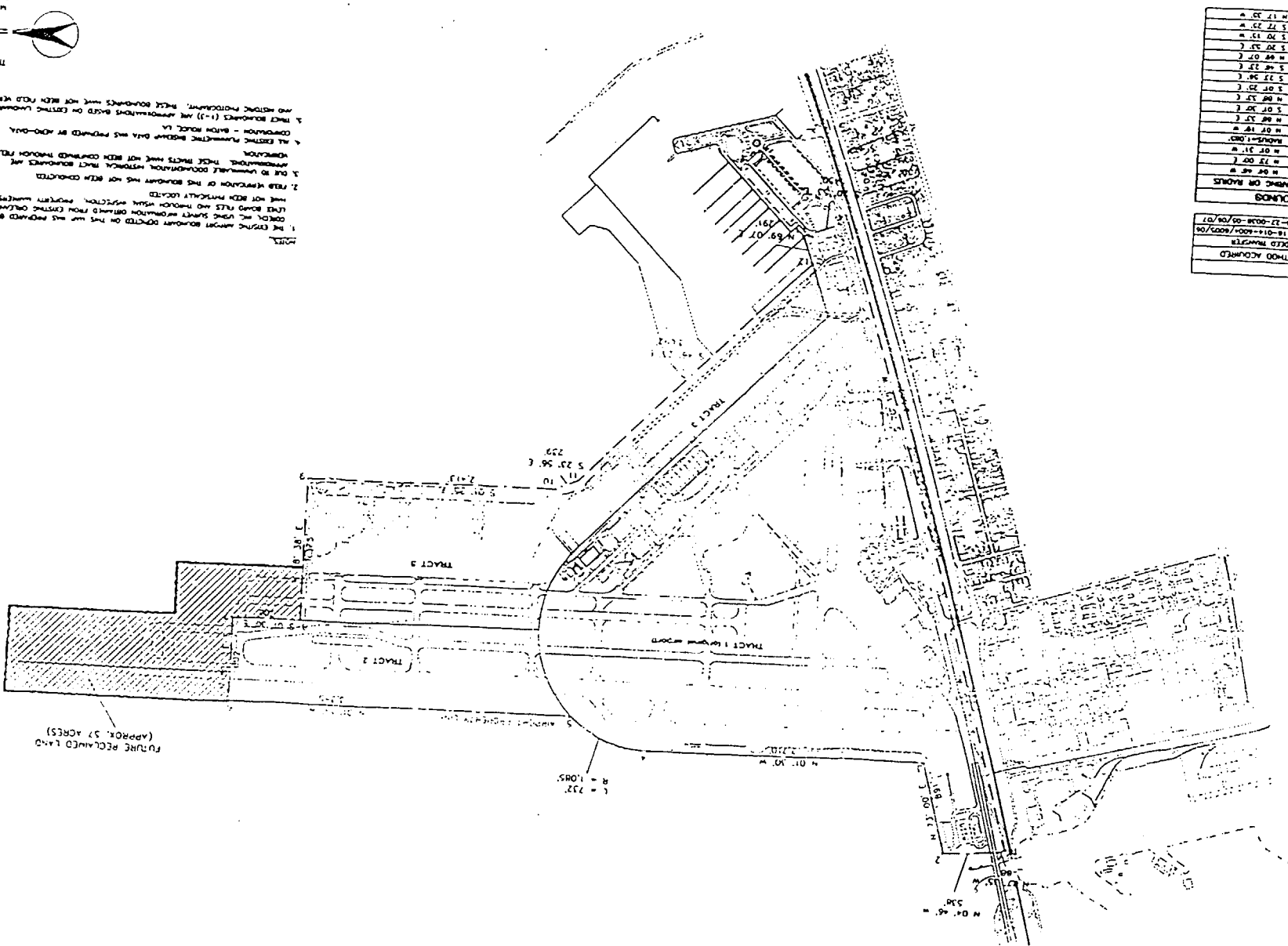
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FROM	TO	DISTANCE	BEARING	BOUND
1	2	53.0	N 04° 46' E	
2	3	53.0	N 73° 00' E	
3	4	53.0	N 07° 31' E	
4	5	53.0	N 07° 14' E	
5	6	53.0	N 07° 14' E	
6	7	53.0	N 07° 14' E	
7	8	53.0	N 07° 14' E	
8	9	53.0	N 07° 14' E	
9	10	53.0	N 07° 14' E	
10	11	53.0	N 07° 14' E	
11	12	53.0	N 07° 14' E	
12	13	53.0	N 07° 14' E	
13	14	53.0	N 07° 14' E	
14	15	53.0	N 07° 14' E	
15	16	53.0	N 07° 14' E	
16	17	53.0	N 07° 14' E	
17	18	53.0	N 07° 14' E	
18	19	53.0	N 07° 14' E	
19	20	53.0	N 07° 14' E	
20	21	53.0	N 07° 14' E	
21	22	53.0	N 07° 14' E	
22	23	53.0	N 07° 14' E	
23	24	53.0	N 07° 14' E	
24	25	53.0	N 07° 14' E	
25	26	53.0	N 07° 14' E	
26	27	53.0	N 07° 14' E	
27	28	53.0	N 07° 14' E	
28	29	53.0	N 07° 14' E	
29	30	53.0	N 07° 14' E	
30	31	53.0	N 07° 14' E	
31	32	53.0	N 07° 14' E	
32	33	53.0	N 07° 14' E	
33	34	53.0	N 07° 14' E	
34	35	53.0	N 07° 14' E	
35	36	53.0	N 07° 14' E	
36	37	53.0	N 07° 14' E	
37	38	53.0	N 07° 14' E	
38	39	53.0	N 07° 14' E	
39	40	53.0	N 07° 14' E	
40	41	53.0	N 07° 14' E	
41	42	53.0	N 07° 14' E	
42	43	53.0	N 07° 14' E	
43	44	53.0	N 07° 14' E	
44	45	53.0	N 07° 14' E	
45	46	53.0	N 07° 14' E	
46	47	53.0	N 07° 14' E	
47	48	53.0	N 07° 14' E	
48	49	53.0	N 07° 14' E	
49	50	53.0	N 07° 14' E	
50	51	53.0	N 07° 14' E	
51	52	53.0	N 07° 14' E	
52	53	53.0	N 07° 14' E	
53	54	53.0	N 07° 14' E	
54	55	53.0	N 07° 14' E	
55	56	53.0	N 07° 14' E	
56	57	53.0	N 07° 14' E	
57	58	53.0	N 07° 14' E	
58	59	53.0	N 07° 14' E	
59	60	53.0	N 07° 14' E	
60	61	53.0	N 07° 14' E	
61	62	53.0	N 07° 14' E	
62	63	53.0	N 07° 14' E	
63	64	53.0	N 07° 14' E	
64	65	53.0	N 07° 14' E	
65	66	53.0	N 07° 14' E	
66	67	53.0	N 07° 14' E	
67	68	53.0	N 07° 14' E	
68	69	53.0	N 07° 14' E	
69	70	53.0	N 07° 14' E	
70	71	53.0	N 07° 14' E	
71	72	53.0	N 07° 14' E	
72	73	53.0	N 07° 14' E	
73	74	53.0	N 07° 14' E	
74	75	53.0	N 07° 14' E	
75	76	53.0	N 07° 14' E	
76	77	53.0	N 07° 14' E	

TRAIL	ACRES	DATE	METHOD ACQUIRED
1	338	01/05/00	RENTAL
2	338	01/05/00	RENTAL
3	338	01/05/00	RENTAL



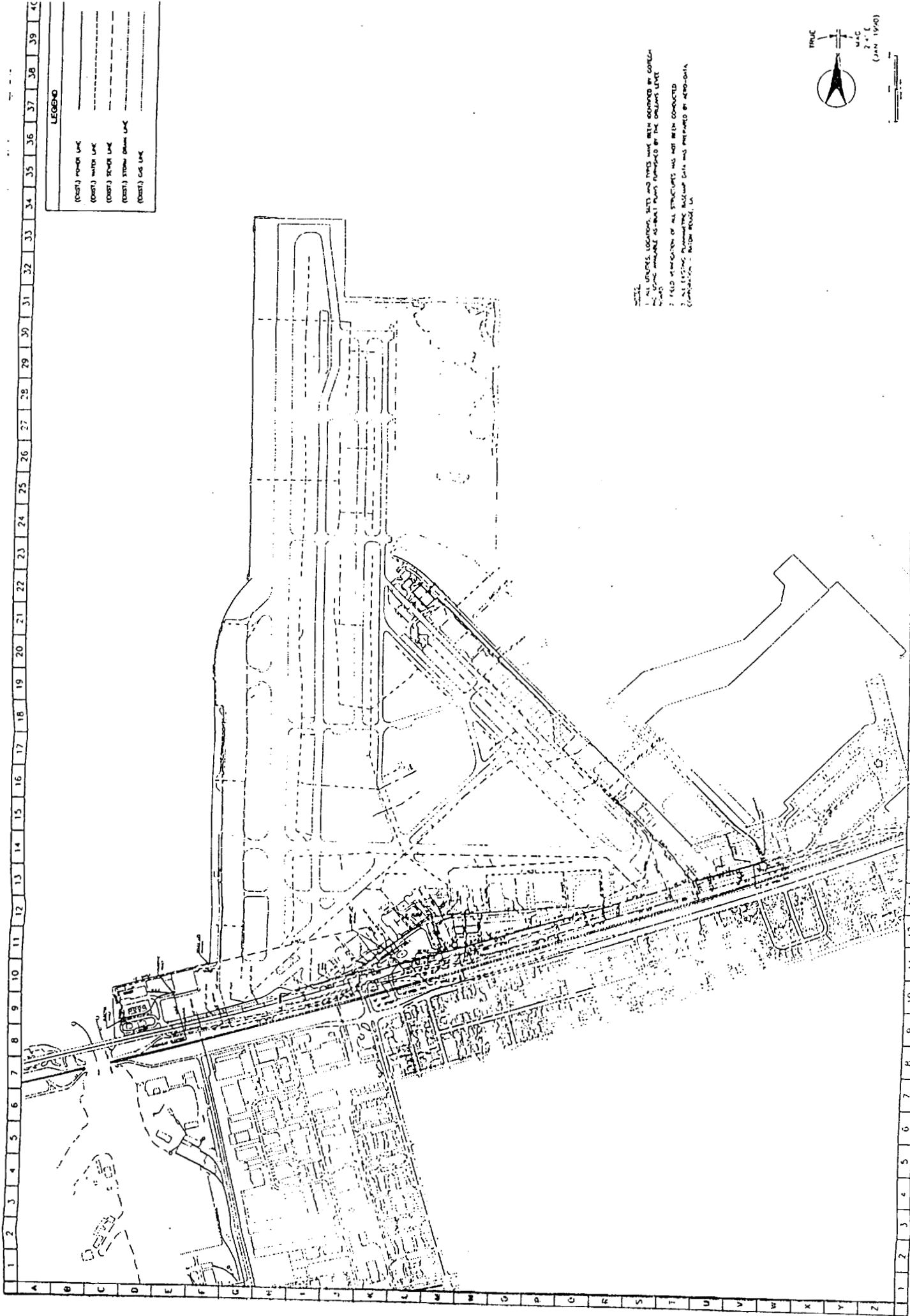
FUTURE RECLAIMED LAND (APPROX. 5.7 ACRES)

1. the existing boundary documents depicted on this map are prepared by the State Survey Commission according to the Central Surveying Station's instructions.
2. the existing boundary documents depicted on this map are prepared by the State Survey Commission according to the Central Surveying Station's instructions.
3. the boundary documents depicted on this map are prepared by the State Survey Commission according to the Central Surveying Station's instructions.
4. the boundary documents depicted on this map are prepared by the State Survey Commission according to the Central Surveying Station's instructions.

NEW ORLEANS LAKEFRONT AIRPORT

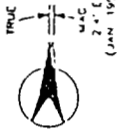
RE W CHILFANE, LOUISIANA

NEW ORLEANS LAKEFRONT AIRPORT

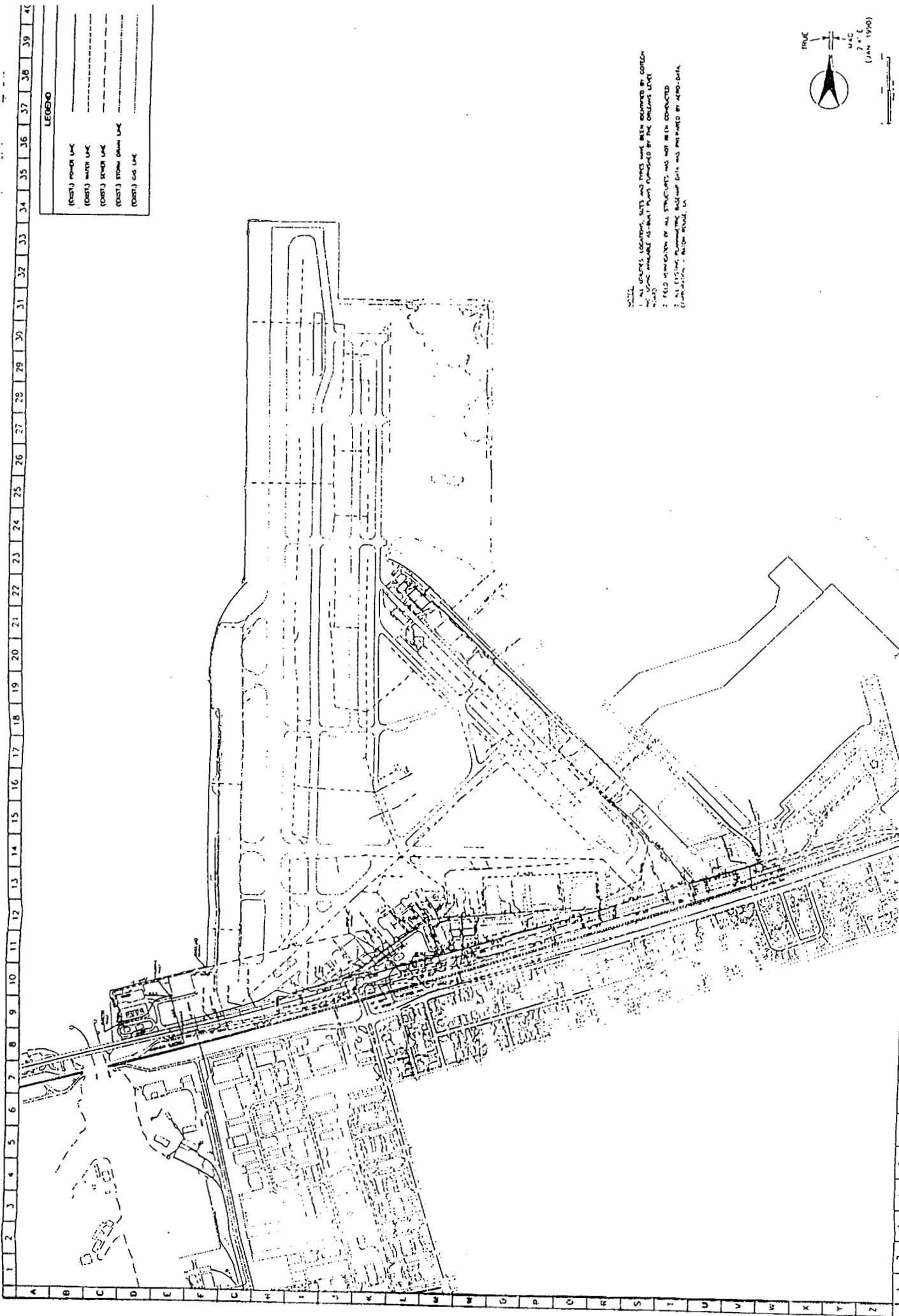


LEGEND	
(DASH) POWER LINE	
(DASH) WATER LINE	
(DASH) SEWER LINE	
(DASH) STORM DRAIN LINE	
(DASH) GAS LINE	

NOTES:
1. ALL EXISTING UTILITIES, WITH AND WITHOUT MARKS, SHOWN BY CONTOUR LINES.
2. ALL EXISTING UTILITIES, WITH AND WITHOUT MARKS, SHOWN BY THE DASHED LINE.
3. FIELD VERIFICATION OF ALL UTILITIES WAS NOT BEEN CONDUCTED.
4. ALL EXISTING UTILITIES, WITH AND WITHOUT MARKS, SHOWN BY THE DASHED LINE.
5. ALL EXISTING UTILITIES, WITH AND WITHOUT MARKS, SHOWN BY THE DASHED LINE.



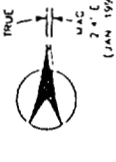
New Orleans Lakefront Airport	
NEW ORLEANS, LOUISIANA	
APPROXIMATE LOCATION OF THE AIRPORT	
FUNDING AGENCY/DEPARTMENT	
REMARKS	
APPROVALS & ADJUSTMENTS	
DESIGNED BY	
CHECKED BY	
DATE	
SCALE	
SHEET NO.	
TOTAL SHEETS	



LEGEND

- (DASH) POWER LINE
- (DASH) WATER LINE
- (DASH) SEWER LINE
- (DASH) STORM DRAIN LINE
- (DASH) GAS LINE

NOTES:
1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITION OF THE AIRPORT DESIGN MANUAL.
2. FIELD VERIFICATION OF ALL STRUCTURES AND UTILITIES SHALL BE CONDUCTED PRIOR TO CONSTRUCTION.
3. ALL EXISTING UTILITIES SHALL BE DEEPENED TO A MINIMUM OF 48" BELOW GRADE.
4. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITION OF THE AIRPORT DESIGN MANUAL.



New Orleans Lakefront Airport		AIRPORT MASTER PLAN STUDY	
NEW ORLEANS, LOUISIANA		1372	
APPROVALS & ADOPTING		FUNDING ACQUISITION	
APPROVED BY: _____		APPROVED BY: _____	
DATE: _____		DATE: _____	
BY: _____		BY: _____	
TITLE: _____		TITLE: _____	
PROJECT NO: _____		PROJECT NO: _____	
SHEET NO: _____		SHEET NO: _____	
TOTAL SHEETS: _____		TOTAL SHEETS: _____	

EXHIBIT "C-1"

SENATOR TED HICKEY BRIDGE AND OVERPASS ROADWAYS

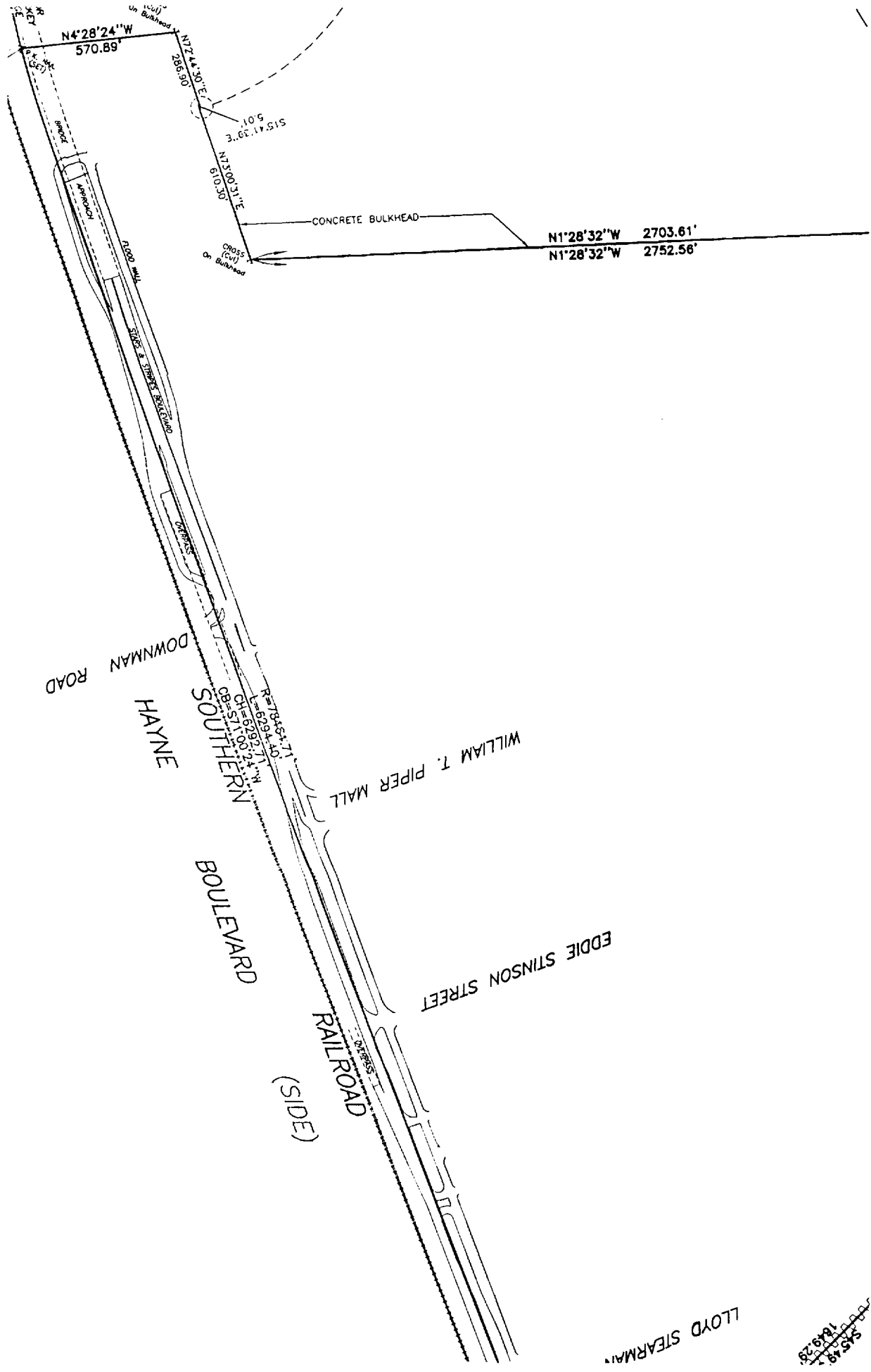


EXHIBIT "D"
PAINTINGS BY XAVIER GONZALES

1. Paris
2. New York City
3. Bali
4. New Orleans Lakefront Airport
5. Land of the Maya

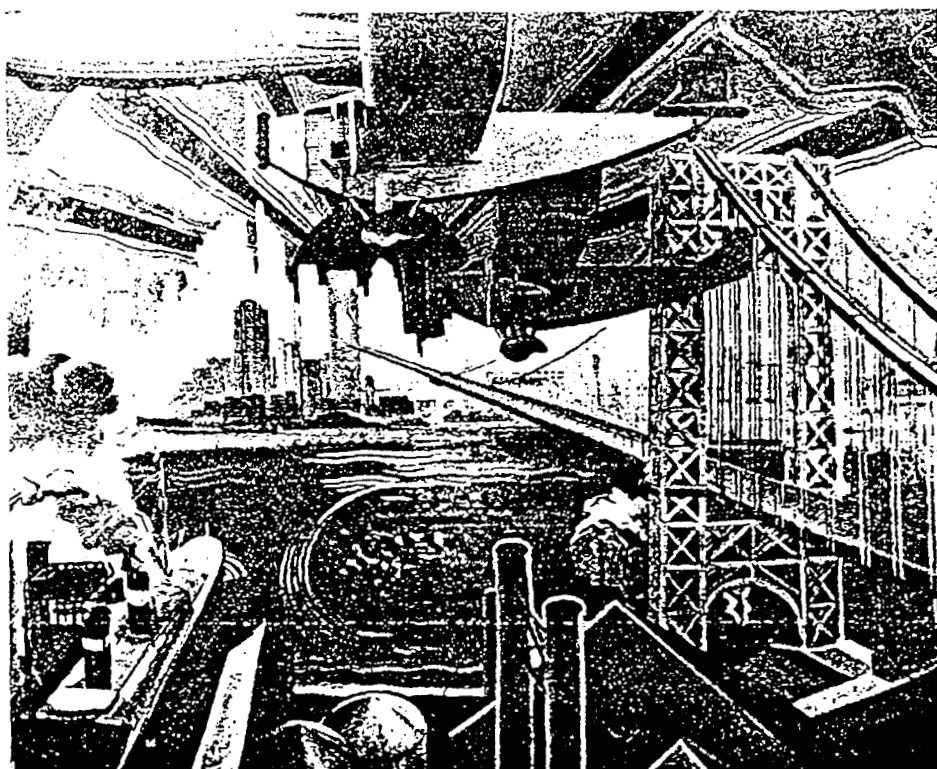


Figure 2—New York City, by Xavier Gonzalez.

Presently, the administration building is somewhat of a stylistic hybrid, as it was described by Roger Green in his column "Lakefront Airport: Style and grace—with a fine waterfront view," *The States-Itern*, May 30, 1980. Extensive remodeling was done at the airport in 1964 by the architectural firm of Cimini and Meric. This remodeling completely changed the exterior of the administration building, transforming it into

...a spare, planar style representing the later era's ideal of functionalism and ultra-modernity...

If the new exterior, however

is devoid of ornament, it has an emblematic dimension and message, nevertheless.

The concrete panels rise above set-back bases, while the slab-like entrance canopies seem to hover in space and stairways are built without risers.

This treatment results in a sense of buoyancy altogether in keeping with the notion of flying...

Today the '64 design and its underlying ideals have themselves become passe. Their expression at the airport contrasts sharply with the remaining traces of Art deco design.¹ (Figure 4).

The contrast of architectural styles becomes apparent as soon as you pass through the main entrance of the administration building at the airport. Sliding glass doors in the stark gray exterior walls open into an entrance hall featuring walls faced with rose and beige colored marble and a floor of similarly colored terrazzo.

The existing waiting room retains much of the original Art Deco feeling though it no longer spans two stories, nor does it display the impressive mezzanine balcony. The aviation industry theme is still strikingly apparent in the designs of the terrazzo floor, and in the multiple decorative friezes depicting various tools and machine parts—cogwheels, pliers, drive shafts and others.

Remodeling eliminated the mezzanine and expanded the second floor. Much of the art work that was in this area was completely covered during this remodeling. However, several examples were incorporated into the new design. This was accomplished most effectively in the board room of the Orleans Levee Board which is located in the far right corner of the old mezzanine, as seen in the photograph of the main waiting room (Figure 3).

The mural, entitled "Paris—Arrival of Lindbergh with the 'Spirit of St. Louis' soaring over the city, accompanied by welcoming French flyers," painted by Xavier Gonzalez, serves as the focal point of the

room. Some of the surrounding marble and overhead cogwheel-design frieze remain around the painting. The large industrial frieze, by Enrique Alferez, is also in place bordering the high ceiling. An additional section of this frieze was moved into the board room so that the motif could encompass three sides of the room.

The finance offices of the Orleans Levee Board contain two of the other wall murals by Gonzalez:

"Egypt—French biplane soaring over Nile River contrasting present day progress with the ancient temples and tombs dating from the dawn of history," and "Land of the Mayas—A Sikorsky amphibian, flying over the Pyramids of the Magician, one of the most fascinating of ancient ruins" (Figure 5). A section of the cogwheel frieze has been preserved over each of these paintings.

The other murals were treated, covered over and boxed in, with the possible exception of two. "Bali—A regular passenger service Fokker airplane flying over the Island of Bali. In the distance is shown an ancient Hindu Temple" (Figure 6), is reported to have been inadvertently destroyed, and "Rio de Janiero—The Italian seaplane 'Santa Maria' flying over the city of Rio de Janiero rediscovering the New World by the famous Italian da Vinedo" is reported to have been sent to the state museum.



Figure 6—Bali—A regular passenger service Fokker airplane flying over the island of Bali. In the distance is shown an ancient Hindu Temple, by Xavier Gonzalez.

Prepared by Joan Maloney
Chairman Art Committee
Fiftieth Anniversary of
Lakefront Airport
February 9, 1984

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Printing funds provided by
McDermott International

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New Orleans. 1934.

1 Roger Green, "Lakefront Airport: Style and grace—with a
fine waterfront view," *The States-Item*, Real Estate,
May 30, 1980, p. 12.
2 Ibid.

February 9, 1984 is the Fiftieth Anniversary of the official opening of Lakefront Airport, formerly named Shushan Airport, and described at its commemoration as "The World's Most Modern Airport." Here was an example of the latest in architectural styles of the time—Art Deco. The airport illustrated a thoughtful integration of art, architecture and industry. Naturally, the industry featured was aviation, which became the overriding theme of the project.

The development of aviation and its influence on modern civilization were depicted in the sculptural relief work on the facade of the administration building. The large sculptural frieze around the waiting room captured the development of the airplane and significant steps in its assembly. Eight wall murals displayed on the mezzanine illustrated the conquest of distance by the airplane. Even the hangars carried out this theme with a decorative motif of an approaching airplane over the hangar doors.

The airport was a joint effort of architects, artists and artisans. Architects for the project were Weiss, Dreyfous and Seiferth. They selected a number of local New Orleans artists to work with them. Prominent among these were Enrique Alferez, William Proctor, John Lachin, Xavier Gonzalez and Alexander Drysdale.

Enrique Alferez designed the wall sculptures for the facade of the building and also the sculptural friezes for the interior. Alferez, known as "Dickie" to his

friends, was born in San Miguel del Mezquital, Mexico. He received his early training from his father who was a sculptor. Later, he studied at the Art Institute of Chicago where he came under the influence of Diego Rivera. Prior to creating the sculpture for the airport, he had completed commissions for numerous other buildings in Louisiana.

The stone sculpture was molded in clay by William Proctor and cast by Architectural Stone Casting whose president at the time was Victor Lachin. The interior plaster frieze was cast by John Lachin.

Local artist, Xavier Gonzalez, who was teaching art at Newcomb College at the time, was selected by competition to create the murals for the mezzanine. Gonzalez was born in Almeria, Spain, but moved to Seville when he was very young. His earliest training was under his uncle, Jose Arpa, a well known Spanish artist. Like Alferez, he received his formal training at the Art Institute of Chicago.

The murals depict eight different sections of the world with the arrival of the airplane as their unifying factor. Three of these can be seen in the photograph of the waiting room, the scenes illustrating Mount Everest, New York City, and

The murals depict eight different sections of the world with the arrival of the airplane as their unifying factor. Egypt, Paris, Rio de Janeiro, Bali, the Land of the Mayas, The South Pole, Mount Everest, and New York were all portrayed. Three of these can be seen in the photograph of the waiting room, the

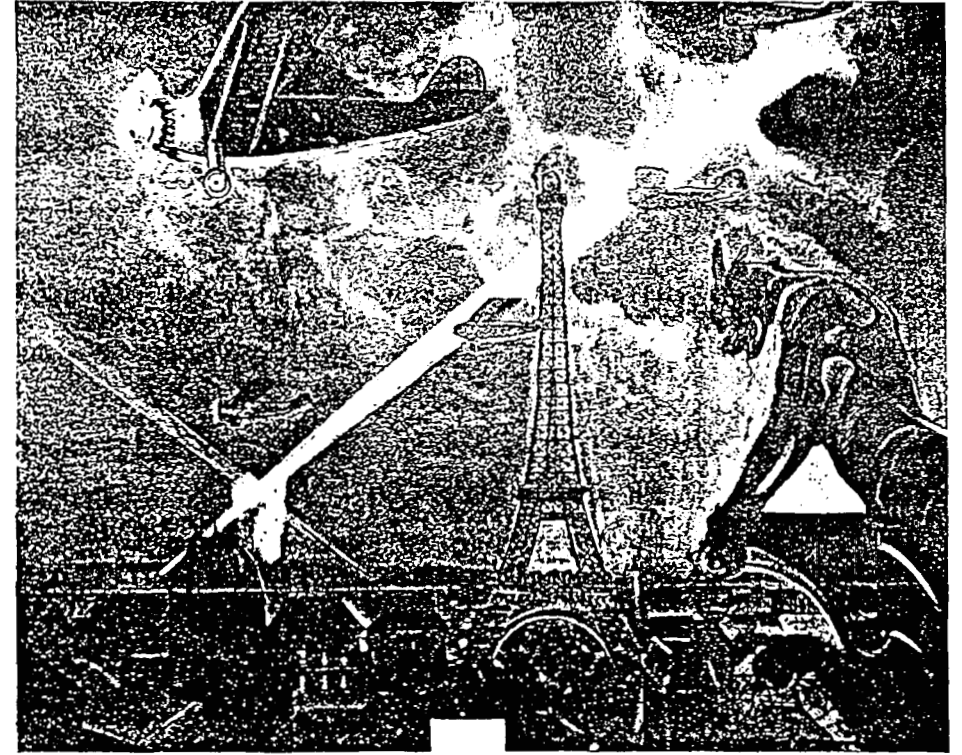


Figure 1—Paris—Arrival of Lindbergh with the "Spirit of St. Louis" soaring over the city, accompanied by welcoming French flyers, by Xavier Gonzalez.

New York City, and Lindbergh's arrival in Paris. Each of the paintings was accompanied by a plaque describing the location and symbolism portrayed (Figures 1, 2, & 3).

Wall murals by New Orleans artist, A.J. Drysdale, originally decorated the walls of the lunch room which adjoined the main waiting room. These murals, which are no longer visible, departed from the industrial aviation theme of the rest of the airport, portraying the Louisiana landscape instead.

The most striking feature of the administration building was the impressive waiting room. Spanning two stories and featuring a

continuous mezzanine balcony, the room was both spacious and luxurious. The industrial air theme was conspicuous throughout, starting with the terrazzo floor, which featured airplane motifs and a large centrally located compass bordered with the names of major world cities and the air miles to each from the airport. Bands of ornamental frieze continued the theme upward to the mezzanine with its aviation murals, and eventually to the large industrial frieze and to the ceiling which was designed of ornamental plaster covered with aluminum leaf and glazed. An industrial motif was repeated in the center of each of the coffers in the ceiling (Figure 3)

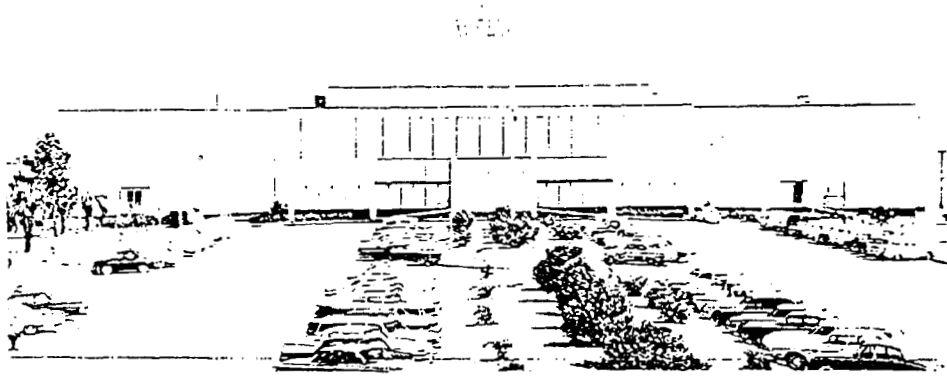


Figure 4—New Orleans Lakefront Airport, 1964

The airport was part of an area of park developed along the Lakefront which continued to be developed after the official opening in 1934. The "Fountain of the Four Winds" was created by Enrique Alferez as part of a Works Progress Administration project for this park between 1936 and 1937.

Four nude figures, representing the four directions of the wind surround a partially exposed globe shape situated in the middle of an elliptical pool that was originally lighted by underwater varicolored lights. The underwater lights are no longer functional. Presently, the fountain is lit by white lights that are set into the sides of the elliptical pool. The figures are concrete poured into molds made by the sculptor. The north wind is represented by the lone male figure. Female figures represent the east, south and west winds.

The "Fountain of the Winds" was the subject of much controversy during the 1930's. The principal issue was the nudity of the male figure. At one point Alferez stood guard over the

fountain with a rifle to protect his sculpture from being disfigured. Eventually, the controversy went as far as the White House and Eleanor Roosevelt intervened to say that the statue should remain as originally created by Alferez.

On the occasion of this Fiftieth Anniversary of Lakefront Airport, both Enrique Alferez and Xavier Gonzalez are still active participants in the art world. Alferez is living in Morelia, Mexico, but he still visits New Orleans frequently. Many examples of his work can be seen in the city. The bronze relief over the main entrance to Charity Hospital, the bronze relief over the main entrance to Touro Hospital, stone carvings in both City Park and Audubon Park, and the cast stone sculpture for the Seaman's Union are only a few of his many works.

Xavier Gonzalez is living in New York City. He has attained considerable fame as a mural painter. Many of his murals can be seen in Texas, Louisiana and Alabama. For the past seven years he has been

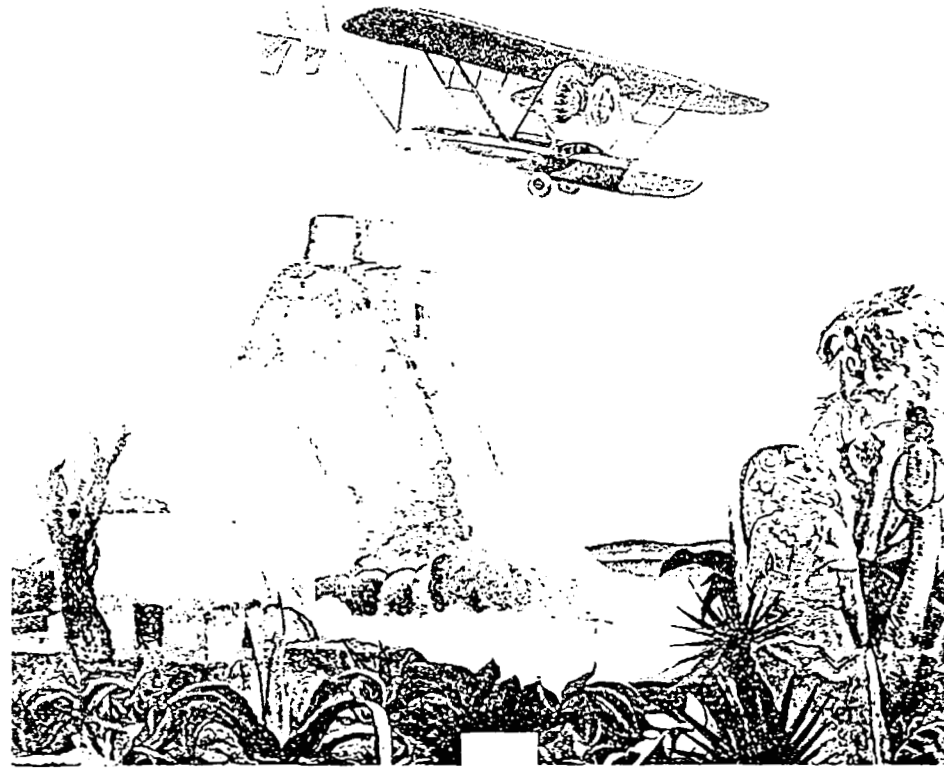


Figure 5—*Land of the Mayas*—A Sikorsky amphibian, flying over the Pyramids of the Magician, one of the most fascinating of ancient ruins, by Xavier Gonzalez.

teaching mural painting at the Art Students' League in New York. Recently, he completed a mural titled "The History of Technology" for the new Science Building at City College in New York.

These men, together with many others, helped to make the original Shushan Airport a showcase displaying the joint efforts of artists, architects, and industrialists working together to develop a well-integrated unit of art and environment.

Today, the administration building at Lakefront Airport is an artistically unique combination of

styles. The visions of one group of artists can be seen in areas of the interior, while the exterior displays the ideals of a different generation. Roger Green observed this in his article on the airport.

Probably at no other building in New Orleans are two opposed architectural styles so strongly contrasted. When we remember that style always reflects underlying values and beliefs, we realize that the Lakefront Airport is a monument to human consciousness, and to the manner in which it can change in a relatively short span of time.²



Figure 3—Waiting Room, Shushan Airport, 1934.

EXHIBIT "E"

PRIVATE OPERATOR'S CAPITAL IMPROVEMENT PLAN

Project-Description (year)	FAA		State Share	Prlivate Operator Share	Total
	Entitlement	Discretionary			
FY/03					
Expand limits of site/seawall S-A (1)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Renovate 1st floor existing admin.		\$ 77,400	\$ 19,350	\$ 96,750	\$ 193,500
Total	\$ -	\$ 5,477,400	\$ 619,350	\$ 96,750	\$ 6,193,500
FY/04					
Expand limits of site/seawall S-A (2)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ -	\$ 5,400,000	\$ 600,000	\$ -	\$ 6,000,000
FY/05					
Construct exit twy for rwy 18R/36L		\$ 294,640	\$ 73,660	\$ 368,300	\$ 736,600
Passenger Loading Bridges Common (2)	\$ 453,600		\$ 50,400	\$ -	\$ 504,000
Expand limits of site/seawall S-A (3)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ 453,600	\$ 5,694,640	\$ 724,060	\$ 368,300	\$ 7,240,600
FY/06					
Widen twy K to 75'		\$ 34,668	\$ 8,667	\$ 43,335	\$ 86,670
Widen twy J to 75'		\$ 54,288	\$ 13,572	\$ 67,860	\$ 135,720
Widen twy H to 75'		\$ 270,000	\$ 67,500	\$ 337,500	\$ 675,000
Expand limits of site/seawall S-A (4)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ -	\$ 6,758,956	\$ 689,739	\$ 448,695	\$ 6,897,390
FY/06					
Expand limits of site/seawall S-A (5)		\$ 5,400,000	\$ 600,000		\$ 6,000,000
Total	\$ -	\$ 5,400,000	\$ 600,000	\$ -	\$ 6,000,000
Five Year Subtotal	\$ 453,600	\$ 27,730,996	\$ 3,233,149	\$ 913,745	\$ 32,331,490
FY/03-07					
Private Projects based on Demand					
Construct 2 135'x100' hangers w/off.				\$ 2,593,400	\$ 2,593,400
Construct 36 T-hangers				\$ 1,300,000	\$ 1,300,000
FY/03-07 Totals incl Demand Projects	\$ 453,600	\$ 27,730,996	\$ 3,233,149	\$ 4,807,145	\$ 36,224,890

Project Description (year)	Entitlement	Discretionary	State Share	Private Operator Share	Total
FY/08					
Extend rwy 18R/36L north 960'	\$ 1,000,000	\$ 1,339,920	\$ 334,980	\$ 674,900	\$ 3,349,800
Relocate rwy end 36L north 435'		\$ 379,960	\$ 94,990	\$ 474,950	\$ 949,900
Relocate rwy 18R MALSR,Middle M		\$ 194,800	\$ 48,700	\$ 243,500	\$ 487,000
Relocate rwy 18R ILS glide slope		\$ 17,720	\$ 4,430	\$ 22,150	\$ 44,300
Total	\$ 1,000,000	\$ 1,932,400	\$ 483,100	\$ 1,415,500	\$ 4,831,000
FY/09-12					
Site preparation new terminal	\$ 1,000,000	\$ 238,130	\$ 137,570	\$ -	\$ 1,375,700
Widen twy H 75' east of twy C	\$ 26,086	\$ 20,804	\$ 5,210	\$ -	\$ 52,100
Widen twy E 75' east of twy C	\$ 93,600	\$ 74,880	\$ 18,720	\$ -	\$ 187,200
Construct 3 135'x100' hangers w/off.				\$ 4,714,500	\$ 4,714,500
Relocate Lloyd Stearman Drive			\$ 200,000	\$ 3,136,200	\$ 3,336,200
Construct terminal Access roadway	\$ 953,950	\$ 763,160	\$ 190,790	\$ -	\$ 1,907,900
Site prep/demo pvmt near terminal	\$ 205,350	\$ 218,960	\$ 54,740	\$ 68,350	\$ 547,400
Construct facility parking				\$ 2,417,000	\$ 2,417,000
Construct Utility services New Term.		\$ 75,880	\$ 18,970	\$ 94,850	\$ 189,700
Construct new air carrier apron		\$ 761,880	\$ 190,470	\$ 952,350	\$ 1,904,700
Maintenance overlays	\$ 824,700	\$ 2,310,160	\$ 577,540	\$ 2,063,000	\$ 5,775,400
Total	\$ 3,103,686	\$ 4,463,854	\$ 1,394,010	\$ 13,446,250	\$ 22,407,800

Project Description (year)	Entitlement	Discretionary	State Share	Private Operator Share	Total
FY/13-17					
Construct new 40,000sf terminal	\$ 824,700			\$ 7,327,100	\$ 8,151,800
Construct parallel twy to 9-27	\$ 529,000	\$ 423,200	\$ 105,800	\$ -	\$ 1,058,000
Widen fillet intersec. twy D & rwy 9/27	\$ 19,800		\$ 2,200	\$ -	\$ 22,000
Extend rwy 9-27 and assc. twy's east	\$ 943,950	\$ 755,160	\$ 188,790	\$ -	\$ 1,887,900
Construct extension twy-L as exit	\$ 220,150	\$ 176,120	\$ 44,030	\$ -	\$ 440,300
Extend rwy 18L/36R south 335'	\$ 417,900	\$ 334,320	\$ 83,580	\$ -	\$ 835,800
Extend rwy 18L/36R north 965'	\$ 929,150	\$ 743,320	\$ 185,830	\$ -	\$ 1,858,300
Construct curbside canopy	\$ 375,000	\$ 300,000	\$ 75,000	\$ -	\$ 750,000
Construct connector twy-twy E and M	\$ 64,700	\$ 51,760	\$ 12,940	\$ -	\$ 129,400
Construct extension Lloyd Stearman	\$ 324,450	\$ 259,560	\$ 64,890	\$ -	\$ 648,900
Construct vehicle parking E of hangar				\$ 200,000	\$ 200,000
Construct 2 135'x100' hangers w/off.				\$ 2,593,400	\$ 2,593,400
Construct tie down apron w of Hang.	\$ 1,184,700	\$ 1,118,440	\$ 279,610	\$ 213,350	\$ 2,796,100
Construct final extension Lloyd S.		\$ 258,400	\$ 64,600	\$ 323,000	\$ 646,000
Construct vehicle parking E of hanger		\$ 68,800	\$ 17,200	\$ 86,000	\$ 172,000
Relocate, construct 7 T-hanger units		\$ 292,640	\$ 73,160	\$ 365,800	\$ 731,600
Construct 3 135'x100' hangers				\$ 3,055,500	\$ 3,055,500
Construct tie down apron areas		\$ 638,240	\$ 159,560	\$ 797,800	\$ 1,595,600
Expand existing ARFF facilities		\$ 24,660	\$ 6,165	\$ 30,825	\$ 61,650
Total	\$ 5,833,500	\$ 5,444,620	\$ 1,363,355	\$ 14,992,775	\$ 27,634,250
Program Total	\$ 10,390,786	\$ 39,571,870	\$ 6,473,614	\$ 34,661,670	\$ 91,097,940

Project Description (year)	Private Operator Share				Total
	PFC	Airport Revs.	Debt or Equity	Other Private Sources	
FY/03					
Expand limits of site/seawall S-A (1)				\$	-
Renovate 1st floor existing admin.			\$ 96,750	\$	96,750
Total	\$ -	\$ -	\$ 96,750	\$ -	\$ 96,750
FY/04					
Expand limits of site/seawall S-A (2)				\$	-
Total	\$ -	\$ -	\$ -	\$ -	-
FY/05					
Construct exit twy for rwy 18R/36L		\$ 368,300		\$	368,300
Passenger Loading Bridges Common (2)				\$	-
Expand limits of site/seawall S-A (3)				\$	-
Total	\$ -	\$ 368,300	\$ -	\$ -	\$ 368,300
FY/06					
Widen twy K to 75'		\$ 43,335		\$	43,335
Widen twy J to 75'		\$ 67,860		\$	67,860
Widen twy H to 75'		\$ 337,500		\$	337,500
Expand limits of site/seawall S-A (4)				\$	-
Total	\$ -	\$ 448,695	\$ -	\$ -	\$ 448,695
FY/06					
Expand limits of site/seawall S-A (5)				\$	-
Total	\$ -	\$ -	\$ -	\$ -	-
Five Year Subtotal	\$ -	\$ 816,995	\$ 96,750	\$ -	\$ 913,745
FY/03-07					
Private Projects based on Demand					
Construct 2 135'x100' hangers w/off.			\$ 1,296,700	\$ 1,296,700	\$ 2,593,400
Construct 36 T-hangers				\$ 1,300,000	\$ 1,300,000
FY/03-07 Totals incl Demand Projects	\$ -	\$ 816,995	\$ 1,393,450	\$ 2,596,700	\$ 4,807,145

Project Description (year)	PFC	Airport Revs.	Debt or Equity	Other Private Sources	Total
FY/08					
Extend rwy 18R/36L north 960'		\$ 674,900		\$	\$ 674,900
Relocate rwy end 36L north 435'		\$ 474,950		\$	\$ 474,950
Relocate rwy 18R MALSR, Middle M		\$ 243,500		\$	\$ 243,500
Relocate rwy 18R ILS glide slope		\$ 22,150		\$	\$ 22,150
Total	\$ -	\$ 1,415,500	\$ -	\$ -	\$ 1,415,500

FY/09-12

Site preparation new terminal					\$ -
Widen twy H 75' east of twy C					\$ -
Widen twy E 75' east of twy C					\$ -
Construct 3 135'x100' hangers w/off.			\$ 3,143,000	\$ 1,571,500	\$ 4,714,500
Relocate Lloyd Stearman Drive	\$ 3,002,580	\$ 133,620			\$ 3,136,200
Construct terminal Access roadway					\$ -
Site prep/demo pvmt near terminal	\$ 68,350				\$ 68,350
Construct facility parking	\$ 2,417,000				\$ 2,417,000
Construct Utility services New Term.	\$ 94,850				\$ 94,850
Construct new air carrier apron	\$ 952,350				\$ 952,350
Maintenance overlays		\$ 2,063,000			\$ 2,063,000
Total	\$ 6,535,130	\$ 2,196,620	\$ 3,143,000	\$ 1,571,500	\$ 13,446,250

Project Description (year)	PFC	Airport Revs.	Debt or Equity	Other Private Sources	Total
FY/13-17					
Construct new 40,000sf terminal	\$ 7,327,100				\$ 7,327,100
Construct parallel twy to 9-27					\$ -
Widen fillet intersec.twyD & rwy 9/27					\$ -
Extend rwy 9-27 and assc.twy's east					\$ -
Construct extension twy-L as exit					\$ -
Extend rwy 18L/36R south 335'					\$ -
Extend rwy 18L/36R north 965'					\$ -
Construct curbside canopy					\$ -
Construct connector twy-twyE and M					\$ -
Construct extension Lloyd Stearman					\$ -
Construct vehicle parking E of hangar	\$ 200,000				\$ 200,000
Construct 2 135'x100' hangers w/off.			\$ 1,296,700	\$ 1,296,700	\$ 2,593,400
Construct tie down apron w of Hang.		\$ 213,350			\$ 213,350
Construct final extension Lloyd S.		\$ 323,000			\$ 323,000
Construct vehicle parking E of hangar	\$ 86,000				\$ 86,000
Relocate,construct 7 T-hanger units		\$ 365,800			\$ 365,800
Construct 3 135'x100' hangers			\$ 1,018,500	\$ 2,037,000	\$ 3,055,500
Construct tie down apron areas		\$ 797,800			\$ 797,800
Expand existing ARFF facilities		\$ 30,825			\$ 30,825
Total	\$ 7,613,100	\$ 1,730,775	\$ 2,315,200	\$ 3,333,700	\$ 14,992,775
Program Total	\$ 14,148,230	\$ 6,159,890	\$ 6,851,650	\$ 7,501,900	\$ 34,661,670

EXHIBIT "F"

ORLEANS LEVEE DISTRICT PLAN NO. PA01-37, DATED 9/28/01

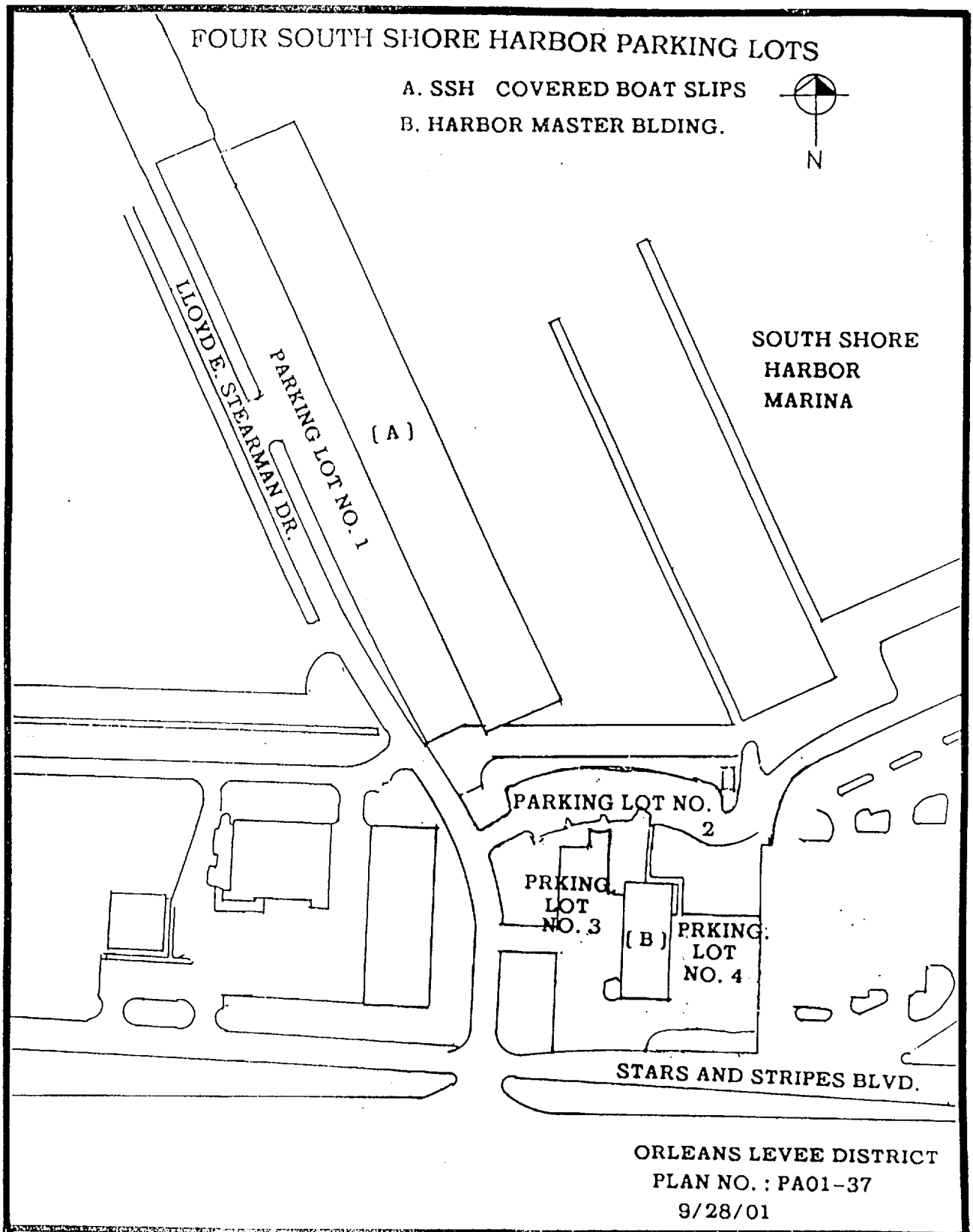


EXHIBIT "G"

FAA AND LADOTD GRANT AGREEMENTS AND ASSURANCES

A	A	B	C	D	E	F	G
	GRANT	ACCEPTANCE	PROJECT #	CONTRACT #	%	Description of Grant	
1	DATE	DATE					
2							
3	9/24/82	9/28/82	3-22-0038-01-82	DOT-FA-82SW-8661	90/10	Complete parallel and associated taxiways for runway 18L/36R, including drainage improvements and marking	
4	10/4/83	10/4/83	3-22-0038-01-82	DOT-FA-82SW-8661		Amendment 1	
5	2/3/86	3/20/86	3-22-0038-01-82	DOT-FA-82SW-8661		Amendment 2	
6							
7	8/20/83	3/20/86	3-22-0038-02	DOT-FA-83SW-8909	90/10	Install MIRL on Runway 18L/36R	
8							
9	4/8/83	4/20/83	3-22-0038-03		90/10	Master Plan Update	
10							
11	8/23/83	8/26/83	3-22-0038-04	DOT-FA-83SW-8910	90/10	Hydraulic, Fill Area A to B	
12							
13	9/20/84	09/25/84	3-22-038-05	DOT-FA-84SW-8188	90/10	Rehabilitate Airfield Lighting System, Install MITL for parallel taxiway; Install Taxiway Signs and Control Panels	
14							
15	5/16/86	06/25/86	3-22-0038-06	DOT-FA-86SW-8902	90/10	Construct, mark, and light 650-foot extension to Runway 36L, 250-foot extension to Runway 18R, etc.	
16		04/20/88	3-22-0038-06	DOT-FA-86SW-8902	90/10	Amendment No. 1	
17							
18	7/26/89	8/1/89	3-22-0038-07	DOT FA 89 SW-8763	90/10	Aircraft Rescue and Fire Fighting Vehicle	
19							
20	9/11/90	9/17/90	3-22-0038-08	DOT FA 90 SW-8171	90/10	Phase I Site Preparation East side T/W Apron & Access Road	
21							
22	3/28/91	04/16/91	3-22-0038-09	DOT FA 91 SW-8228	90/10	Overlay Taxiway B	
23							
24	9/18/91	09/20/91	3-22-0038-10	DOT FA 91 SW-8321	90/10	Reconstruct Terminal Apron	
25							
26	8/5/93	08/19/93	3-22-0038-11	DOT FA 93 SW-8143	90/10	Install Airfield Guidance Signage and Install MITL	
27							
28	5/24/94	06/24/94	3-22-0038-12	DOT FA 94 SW-8003	90/10	Prepare Airport Master Plan Update	
29							
30	4/19/95	4/21/95	08-22-0038-13	DOT FA95 SW-8007	90/10	Phase II Taxiway Apron Roadway Improvement Project	
31							
32	5/15/99	9/28/99	03-22-0038-14	DOT FA 99 SW-8149	90/10	Rehabilitate Runway 18R/36L	
33							
34	9/29/99	9/30/99	03-22-0038-15	DOT FA 99 SW-8159	90/10	Seal coat Taxiway Bravo	
35							
36	9/17/01	9/19/01	03-22-0038-16	n/a	90/10	Install Perimeter Fences, Access control gates	
37							

EXHIBIT "H"

EXISTING AGREEMENTS

OTHER AGREEMENTS

PARTIES	DESCRIPTION	COSTS
VFP FIRE SYSTEMS	INSPECTION OF SPRINKLER SYSTEM	
	WILLIAMS HANGAR	\$1,296.00
	MOFFET HANGAR	\$1,296.00
COMPAQ COMPUTER SERVICES	FUEL FARM SERVICE AGREEMENT	\$972.00
H & M PEST CONTROL	TERMITE CONTRACT FUEL FARM	\$90.00
CLEMENTS FIRE AND SAFETY	INSPECTION OF FIRE EXTINGUISHERS	\$1,500.00
A 1 SERVICE INC.	FLOOR MAT RENTALS	\$2,686.80
BROWNING FERRIS INDUSTRIES	11 - 6 CUBIC YARD CONTAINERS	\$12,206.04
	1 - 6 CUBIC YARD CONTAINERS	\$639.60
	6 - 2 CUBIC YARD CONTAINERS	\$2,290.32
	T - HANGER DUMPSTER	\$254.48
COUHIG SOUTHERN ENVIRONMENTAL	PEST CONTROL	
	MAINTENANCE FACILITY	\$180.00
	FUEL FARM BUILDING	\$96.00
	AIRPORT TERMINAL	\$300.00
	OLD FAA BUILDING	\$144.00
	ARFF FACILITY	\$180.00
EDS	JANITORIAL SERVICES	
	AIRPORT MAINTENANCE	\$588.72
	AIRPORT ADMINISTRATION	\$36,524.16
	FAA BUILDING	\$1,339.20
	FUEL FARM	\$588.72
IPC/MAGNUM ACCT DEPT OF LA	HAZARDOUS WASTE PICKUP AND DISPOSAL AIRPORT FUEL FARM	\$3,000.00
LOUISIANA SPRING WATER	DRINKING WATER	\$500.00
MINOLTA CORPORATION	COPIER RENTAL	\$1,390.20
RODENT GUARD TERMITE	BAIT STATIONS FOR FORMOSAN TERMITES	\$395.00
RODENT GUARD TERMITE	ADMINISTRATION BUILDING	\$520.00
W J S ENTERPRISES INC.	SERVICES AGREEMENT FUEL FARM COPIER	\$263.00
WASTE MANAGEMENT	BLANKET ORDER FOR "ROLL OFF"	\$16,315.00
YORK INTERNATIONAL CORP.	SERVICE AGREEMENT ON AIR CONDITIONING CHILLERS	\$7,540.00
REDD PEST CONTROL CO. INC.	TERMITE TREATMENT	
	AIRPORT MAINTENANCE BLDG.	\$117.54
	WALTER WEDELL OFFICE	\$71.59
	WALTER WEDELL HANGAR	\$108.17
PRATT LANDRY ASSOCIATES	FIRE ALARM ANNUAL INSPECTION LAKEFRONT ADMINISTRATION BLDG.	\$1,040.00
ACCULAB INC.	SERVICE CONTRACT WASTE WATER ANALYSIS	\$996.00
COUHIG SOUTHERN ENVIRONMENTAL	WEDELL HANGAR	\$113.00

EXISTING AGREEMENTS

PARTIES	TYPE OF AGREEMENT	EFFECTIVE DATE	EXPIRATION DATE	SPECIAL PROVISIONS
A.H. Glenn & Assocs.	Lease Agreement	5/1/84	04/30/85	Month to Month
Air Cover	Lease Agreement	7/09/99	6/30/2009	3-5 yr
	Condominium Declaration	1/05/2000	coincides w/the term of ground lease	
Air Charter	Lease Agreement	5/26/93	N/A	Month to Month
Air Reldan	Lease Agreement	3/1/2000	2/28/02	Sublease from Schwegmann
Bally's Belle of Orleans	Lease Agreement	04/19/99	04/18/00	Month to Month
	Lease Agreement	2/18/93	02/17/2003	four term year options
	Amendment #1	08/27/93	08/26/95	One five year option
	Amendment #2	02/15/95		Substitution of Leased Premises
				Reservation f Servitude Option
	Amendment #3	07/19/96		
	Amendment #4	10/09/96		
Caudle Aviation	Lease Agreement	11/1/69	10/31/94	
	Amendment 1	12/1/73		Addition of Premises
	Amendment 2	10/10/74		Addition of Premises
	Amendment 3	8/15/77		Addition of Premises
	Amendment 4	8/15/79		Addition of CPI language
	Amendment 5	8/19/81		Reduction of Premises
	Amendment 6	12/7/82		Addition of fuel clause
	Amendment 7	5/29/87		Addition of Four Year Option
	Amendment 8	4/8/93	10/31/2004	Extension of Lease
Chevron U.S.A., Inc.	Lease Agreement	06/01/89	5/31/94	
	Addendum No. 1	4/6/90	5/31/94	Insurance Provisions
	Amendment 1	4/1/90		Addition of Premises
	Amendment 2	11/10/91		Reduction of Premises
	Agreement to Extend Lease	6/1/94	5/31/99	Month to Month
	Release of Claims	2/25/2000		
Civil Air Patrol	Lease Agreement	1/1/99	12/31/03	N/A
Lakefront Hangers Condominiums Inc.	Lease Agreement	12/01/76	11/30/76	1-5 years
	Amendment #1	11/1/77		Addition of Premises
	Act of Correction	7/17/78		
	Addendum	9/1/82		
	Amendment #2	11/25/85		
	Option	12/9/96	11/30/01	
	Agreement Units A-3 and A-5	12/01/2011	11/30/2021	10 year Extension by Resolution 1-081992

D.O.T./ATF	Lease Agreement	8/1/97 10/1/2000	9/30/2000 9/30/2002	
General Aviation of New Orleans	Lease Agreement	02/01/95	01/31/2000	3-5 years
	Lease Agreement	2/1/00	1/31/05	
	Release of Claims	01/18/00		
	Dation en Paiement	12/22/98		
	Aircraft Tiedown Letter	03/23/00		
	Release of Claims	1/18/2000	12/31/2006	
Harbormaster	No Written Agreement			Month to Month
Jason IV Aviation, Inc. D/B/A Million Air of New Orleans	Lease Agreement	7/01/01	12/31/04	3-5 yrs
John McDaniels	Lease Agreement	7/19/01	7/31/02	N/A
KavAir, LLC	Lease Agreement	5/1/99	4/30/00	Month to Month
Landry's Limousines	Lease Agreement	9/1/87	9/30/87	Month to Month
Louisiana National Guard	Articles of Agreement Amended No. 1	12/9/40 12/3/96	12/8/2039	
McDermott	Lease No. 1	8/1/65	7/31/70	1-5 years
	Amendment 1	8/1/70	7/31/75	2-5 years
	Lease No. 2	7/31/78	7/31/93	
	Extension of Lease No. 2	7/31/98	7/31/03	
	Assignment of Tidewater	2/21/2001		Approved by Resoluiton 6-022101
Mosquito Control	Lease Agreement #1	1/1/85	12/31/04	
	Lease Agreement #2	10/1/88	9/30/98	1-10 Year Option
	Extension		9/30/08	
New Orleans Jet Center	Lease Agreement	2/1/99	7/31/99	
	Tie-down Agreement	9/9/99		
Nicholas Caridas	Lease Agreement	10/1/01	9/1/2002	Month to Month
Schwegmann Giant Supermrkt	Lease Agreement	3/1/87	02/28/2002	2-5 yr
	Extension No. 1	3/1/92	2/28/97	
	Extension No. 2	3/1/97	2/28/02	
	Sublease	3/1/00	2/28/02	

Stumm Girls LLC	Lease Agreement	9/3/99	09/02/2009	2-10 Year Option
Taylor Energy Company	Lease Agreement	04/11/90	02/28/95	
	1st Amendment	03/01/95	02/29/00	
	Tie Down Agreement	03/23/98		
	2nd Amendment (1215sq ft)	09/30/98	2/38/05	
Texaco	Fuel Agreement	5/1/98	4/30/2000	2-5 Year Option
	Exercise of Option	3/8/2000	4/30/01	
	Exercise Of Option	1/5/01	4/30/02	Consent Needed to Assign
	Assignment to Texaco Aviaiton Prod. LLC	1/1/2000	4/30/02	
US Customs	Lease Agreement Extension	10/1/96	9/30/2002	
Walnut Room	Lease Agreement	1/1/76	12/31/80	2-5 years
	Extension per Bd Resol #4-012887 & Am		12/31/96	
	Extension per Bd Resol #3-081893 Amend		12/31/06	
	of Bd Resol 8-081893			
Fuelman	On-Site Consignment Fuel Farm	1/1/02	12/31/02	\$58,545.00

PERMITTED EXCEPTIONS

Louisiana National Guard

Security Agreement

8/7/72

N/A

Month to Month

OTHER AGREEMENTS

PARTIES	DESCRIPTION	COSTS
VFP FIRE SYSTEMS	INSPECTION OF SPRINKLER SYSTEM	
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	MOFFET HANGAR	\$1,296.00
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	MAINTENANCE FACILITY	\$180.00
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RODENT GUARD TERMITE	ADMINISTRATION BUILDING	\$520.00
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	AIRPORT MAINTENANCE BLDG.	\$117.54
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ACCULAB INC.	SERVICE CONTRACT WASTE WATER ANALYSIS	\$996.00
COUHIG SOUTHERN ENVIRONMENTAL	WEDELL HANGAR	\$113.00

EXHIBIT "I"

PENDING LITIGATION, ARBITRATIONS AND OTHER PROCEEDINGS

The following legal proceedings pending against the Board of Commissioners of the New Orleans Levee District involve legal actions related to the operation of the New Orleans Lakefront Airport:

1. Great American Insurance Company v. The Board of Commissioners for the Orleans levee District. A/K/A The Orleans Levee Board and ABC Insurance Company. No: 99-15477, Division "J" Civil district Court for the Parish of Orleans, State of Louisiana. The lawsuit involves a subrogation claim by the casualty insurer of several aircraft owners, laces and operators for recovery of the amount paid on insurance claims for damages to the aircrafts caused by flooding at the New Orleans Lakefront Airport during Hurricane Georges in September of 1998.

The claims involved in these lawsuits are disputed, contingent and unliquidated and subject to litigation. The Orleans Levee District had in effect an airport insurance policy on the date of the occurrences.

EXHIBIT "J"

IMPOSITIONS, LICENSE, FEES AND PERMITS

No. 2



AIRPORT

LIC-382

THIS CERTIFIES THAT

NEW ORLEANS AIRPORT

NEW ORLEANS, LOUISIANA

has been approved by the LOUISIANA Department of Public Works,
and remains in effect until suspended or revoked.

J. B. Anderson
Chief, Aeronautics Division

W. H. Anderson
Director, Department of Public Works

Issued DEC. 1, 1946

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

AIRPORT OPERATING CERTIFICATE

This certifies that

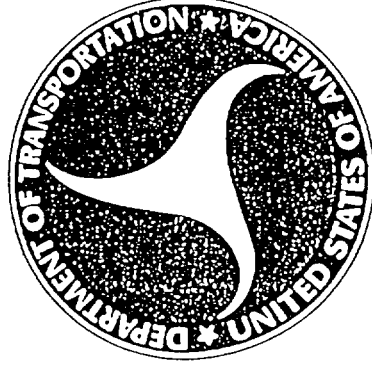
NEW ORLEANS LAKEFRONT AIRPORT
owned and operated by Board of Levee Commissioners of the Orleans Levee District

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate, and is hereby authorized to operate as a certificated airport in accordance with and subject to said Act and the rules, regulations and standards prescribed thereunder, including but not limited to 14 C.F.R. Part 139, and any additional terms, conditions, and limitations contained hereon or in the currently approved Airport Operations Specifications on file with the FAA. The level of safety at the airport at the time of certification will be maintained.

This certificate is not transferable and, unless sooner surrendered, suspended or revoked, shall continue in effect.

Effective date: October 29, 1976

Issued at: Fort Worth, Texas
October 26, 1976



By Direction of the Administrator

John J. [Signature]

Director, Southwest Region



State of Louisiana

Department of Environmental Quality



MR. JAMES FOSTER, JR.
GOVERNOR

J. DALE GIVENS
SECRETARY

Mr. John J. Maloney
Director of Aviation
Orleans Levee Board Lakefront Airport
Administration Bldg., Suite 101
New Orleans Lakefront Airport
New Orleans, LA 70179

Dear Mr. Maloney:

RE: Administrative amendment, Air Permit 2140-00066-00,
Lakefront Airport, Orleans Levee Board, New
Orleans, Orleans Parish, Louisiana

By letter received May 1, 1995, the Orleans Levee Board
requested a change be made to the referenced permit dated November
18, 1987, to correct a typographical error and add Specific
Condition 3.

On page 1, paragraph 1: correct volume of Jet A fuel
transferred and stored from 30,000 to 300,000 gallons.

On page 2: revised paragraph VI to include public
notice.

On page 3: add Specific Condition 3 limiting the daily
transfer of Jet A, Mogas and Diesel fuels.

An administrative amendment is hereby approved under
LAC 33: III.521.A. The affected pages should be replaced by the
enclosed pages.

Please attach this letter to the permit referenced.

Very truly yours,

Gustave A. Von Bodungen
Gustave A. Von Bodungen, P.E.
Assistant Secretary

Date

3/6/96

GVB:CO
Encl.



OFFICE OF AIR QUALITY P.O. BOX 52133 BATON ROUGE, LOUISIANA 70854-2133
AN EQUAL OPPORTUNITY EMPLOYER

AIR PERMIT BRIEFING SHEET
AIR QUALITY DIVISION
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

I BACKGROUND

This application covers a new fuel storage and distribution facility for the New Orleans Lakefront Airport. This fuel farm will be capable of the transfer and storage of: 300,000 gals. of Jet A fuel; 100 M gals. of Av Gas; 10,000 gals. of Mo Gas; and 10,000 gals. of No. 2 diesel.

II. ORIGIN

An air permit application and accompanying Emissions Inventory Questionnaire (EIQ) dated September 18, 1987.

III. DESCRIPTION

The fuel farm will consist of the following:

three (3) 100,000 gallon fixed roof Jet A fuel storage tanks, one (1) 100,000 gallon internal floating roof Av Gas storage tank, one (1) 10,000 gallon horizontal Mo Gas storage tank and one (1) 10,000 gallon horizontal No. 2 diesel fuel storage tank.

Additionally, this facility will house three (3) duplex unloading islands for the following services:

one (1) for Jet A tank trucks,
one (1) for Av Gas tank trucks, and
one (1) for both Mo Gas and No. 2 diesel tank trucks.
It will also contain attendant and sundry equipment for the transfer of these fuels.

The fuel farm will supply the three (3) duplex loading islands located within the farm itself and two (2) other remote islands located at the airport. In the fuel farm, one (1) of the loading islands will be for Jet A fuel, one (1) for Av Gas, and one (1) for both Mo Gas and No. 2 diesel fuel. Both remote islands will handle Jet A and Av Gas fuels.

Sundry equipment contained in the fuel farm will include pumps, filters, loading arms, hoses and other appurtenances indigenous to the requirements of unloading, loading, storage and transfer of the various fuels. Additionally, the fuel farm will also include facilities and equipment for the recovery and treatment of fuel spills.

AIR PERMIT BRIEFING SHEET
AIR QUALITY DIVISION
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

IV. TYPE OF REVIEW:

This application was reviewed for compliance with Louisiana Air Quality Regulations as a minor emission source in a non-attainment area for VOC's and subject to the requirements of 40 CFR 60 NSPS Subpart Kb. PSD, LSNAP and Air Toxics do not apply.

IV. RECOMMENDATION:

Approval with attached general and specific conditions.

VI. PUBLIC NOTICE:

A request for public comment was published in the Times Picayune, New Orleans, LA, on January 26, 1996 and in the Advocate, Baton Rouge, LA, on January 24, 1996. No comments were received.

SPECIFIC CONDITIONS

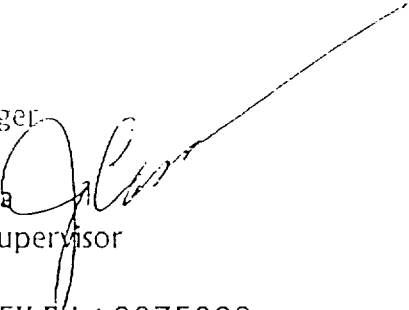
NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

1. The permittee shall comply with all applicable provisions of New Source Performance Standards, 40 CFR 60, Subpart Kb - "Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced after July 23, 1984".
2. Permittee shall limit the transfer of Av gas to a maximum throughput of 2,636 gallons per day, averaged over any thirty day period. Daily records of Av gas transfers shall be maintained on site and available for inspection by Air Quality Division.
3. Permittee shall limit the transfer of Jet A fuel to a maximum throughput of 8,542 gallons per day and the transfer of Mo Gas (auto gas) and Diesel to a maximum throughput of 3,368 gallons per day each, averaged over any thirty day period. Daily records of Jet A, Mo Gas and Diesel transfers shall be maintained on site and available for inspection by the Air Quality Division.

OFFICE MEMO

March 27, 2001

TO: Fred Pruitt
Fuel Farm Manager

FROM: Joseph Cassanova 
Environmental Supervisor

RE: LPDES PERMIT FILE LA0075809
BULK STORAGE FACILITY

The LADEQ LPDES permit for the Fuel Farm has not been issued because the LADEQ is changing that permit process and system.

The LADEQ is getting away from individual permits as we have in force and going to a General Permit where we will be a co-permittee and one of 100 other bulk facilities and businesses on the General Permit.

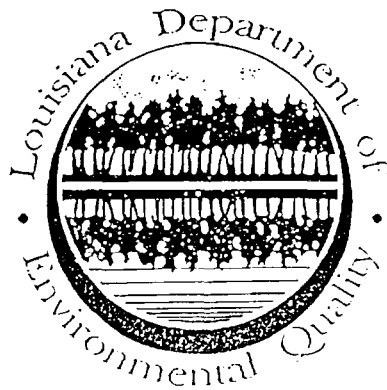
Although our individual permit expired 8/20/97 and we applied for renewal, we probably won't get an individual LPDES renewal, but rather come under a new General LPDES permit, whenever that happens.

Until then our old permit is valid, in force and automatically extended. The point of contact at LADEQ is Mr. David Brightbill at (225) 765-0208.

If anyone visits the fuel farm and inquires about this matter, show them this memo and they can contact Mr. Brightbill.

JCC:dba

xc: Max Hearn, Executive Director
Stevan G. Spencer, P. E., Chief Engineer
Randy Taylor, Director of Aviation



Original
Fuel Farm (#1)
DOA office

MARTHA A. MADDEN
SECRETARY

OFFICE OF AIR QUALITY AND NUCLEAR ENERGY

GUSTAVE A. VON BODUNGEN
ASSISTANT SECRETARY

November 17, 1987

Mr. John J. Maloney
Director of Aviation
Orleans Levee Board Lakefront Airport
Suite 101, Administration Bldg.
New Orleans Lakefront Airport, New Orleans, LA 70126

Dear Mr. Maloney:

RE: Fuel Farm at New Orleans Lakefront Airport Located in New Orleans, Orleans Parish, Louisiana.

This is to inform you that the permit for the above referenced project has been approved under Section 6.1 of the Louisiana Air Quality Regulations. The submittal was approved on the basis of the emissions reported and the approval in no way guarantees the design scheme presented will be capable of controlling the emissions as to the types and quantities stated. A new application must be submitted if the reported emissions are exceeded after operation begins. The synopsis, data sheets and conditions are attached herewith.

It will be considered a violation of the permit if all proposed control measures and/or equipment are not installed and properly operated and maintained as specified in the application.

The permit number cited below should be referenced in future correspondence regarding this subject.

Done this 18th day of Nov, 1987.

Permit No.: 2140-00066-00

Very truly yours,

Gustave A. Von Bodungen
Gustave A. Von Bodungen, P.E.
Assistant Secretary

GVB/CQ/bpw

cc: Southeast Regional Office

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
BRIEFING SHEET

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

I. BACKGROUND:

This application covers a new fuel storage and distribution facility for the New Orleans Lakefront Airport. This fuel farm will be capable of the transfer and storage of: 30 M gals. of Jet A fuel; 100 M gals. of Av Gas; 10 M gals. of Mo Gas; and 10 M gals. of No. 2 diesel.

II. ORIGIN:

An air permit application and accompanying Emissions Inventory Questionnaire (EIQ) dated September 18, 1987.

III. DESCRIPTION:

The fuel farm will consist of the following:

three (3) 100,000 gallon fixed roof Jet A fuel storage tanks;
one (1) 100,000 gallon internal floating roof Av Gas storage tank;
one (1) 10,000 gallon horizontal Mo Gas storage tank; and,
one (1) 10,000 gallon horizontal No. 2 diesel fuel storage tank.

Additionally, this facility will house three (3) duplex unloading islands for the following services:

one (1) for Jet A tank trucks;
one (1) for Av Gas tank trucks;
one (1) for both Mo Gas and No. 2 diesel tank trucks;
and will also contain attendant and sundry equipment for the transfer of these fuels.

The fuel farm will supply the three (3) duplex loading islands located within the farm itself and two (2) other remote islands located at the airport. In the fuel farm, one (1) of the loading islands will be for Jet A fuel, one (1) for Av Gas, and (1) for both Mo Gas and No. 2 diesel fuel. At both of the remote islands, loading will be for both Jet A and Av Gas fuels.

Sundry equipment contained in the fuel farm will include pumps, filters, loading arms, hoses and other appurtenances indigenous to the requirements of unloading, loading, storage and transfer of the various fuels. Additionally, the fuel farm will also include facilities and equipment for the recovery and treatment of fuel spills.

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
BRIEFING SHEET

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA
(CONTINUED)

IV. TYPE OF REVIEW:

This application was reviewed for compliance with Louisiana Air Quality Regulations as a minor emission source in a non-attainment area for VOC's and subject to the requirements of 40 CFR 63 NSPS Subpart Kb. PSD, LESHAP and Air Toxics do not apply.

V. RECOMMENDATION:

Approval with attached general and specific conditions.

VI. PUBLIC NOTICE:

Public notice is not required for a minor emission source.

SPECIFIC CONDITIONS

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

1. The permittee shall comply with all applicable paragraphs of NSPS 40 CFR 60 Subpart Kb titled "Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced after July 23, 1984".
2. The permittee shall limit the transfer of Av gas to a maximum throughput of 2,639 gallons per day averaged over any thirty-day period. The permittee shall maintain daily records of Av gas transfers readily accessible for inspection by environmental compliance personnel.

LOUISIANA AIR EMISSION PERMIT
GENERAL CONDITIONS

- I. This permit is issued on the basis of the emissions reported in the application for approval of emissions and in no way guarantees that the design scheme presented will be capable of controlling the emissions to the type and quantities stated. Failure to install, properly operate and/or maintain all proposed control measures and/or equipment as specified in the application and supplemental information shall be considered a violation of the permit and regulation 6.0. If the emissions are determined to be greater than those allowed by the permit or if proposed control measures and/or equipment are not installed or do not perform according to design efficiency, an application to modify the permit must be submitted.
- II. The permittee is subject to all applicable provisions of the Louisiana Air Quality Regulations. Violation of the terms and conditions of the permit constitutes a violation of these regulations.
- III. The permit application and the attached data sheets establish the emission and operating limitations and are a part of the permit. The synopsis and data sheets are based on the application and emissions inventory questionnaire dated September 18, 1987.
- IV. This permit shall become invalid, for the sources not constructed, if:
 - (a) construction is not commenced, or binding agreements or contractual obligations to undertake a program of construction of the project are not entered into, within two (2) years (18 months for PSD permits) after issuance of this permit, or;
 - (b) if construction is discontinued for a period of two (2) years (18 months for PSD permits) or more.

The administrative authority may extend this time period upon a satisfactory showing that an extension is justified.

This provision does not apply to the time period between construction of the approved phases of a phased construction project. However, each phase must commence construction within two (2) years (18 months for PSD permits) of its projected and approved commencement date.

- V. The permittee shall submit semi-annual reports of progress outlining the status of construction, noting any design changes, modifications or alterations in the construction schedule which have or may have an effect on the emission rates or ambient air quality levels. These reports shall continue to be submitted until such time as construction is certified as being complete. Furthermore, for any significant change in the design, prior approval shall be obtained from the Louisiana Air Quality Division.

LOUISIANA AIR EMISSION PERMIT
GENERAL CONDITIONS

- VI. The permittee shall notify the Department of Environmental Quality, Air Quality Division within ten (10) calendar days from the date that construction is certified as complete and the estimated date of start-up of operation. The appropriate Regional Office shall also be so notified within the same time frame.
- VII. Any emissions testing performed for purposes of demonstrating compliance with the limitations set forth in paragraph III shall be conducted in accordance with the methods described in the Division's test manual or any other methods approved by the U.S. EPA. Any deviation from or modification of the methods used for testing shall have prior approval from the Louisiana Air Quality Division.
- VIII. The emission testing described in paragraph VII above, or established in the specific conditions of this permit, shall be conducted within sixty (60) days after achieving normal production rate, but in no event later than 180 days after initial start-up (or restart-up after modification). The Air Quality Division Surveillance Section shall be notified at least thirty (30) days prior to testing and shall be given the opportunity to conduct a pretest meeting and observe the emission testing. The test results shall be submitted to the Air Quality Division within forty-five (45) days after the complete testing. As required by Section 8.7 and 17.5 of the Louisiana Air Quality Regulations, the permittee shall provide necessary sampling ports in stacks or ducts and such other safe and proper sampling and testing facilities for proper determination of the emission limits.
- IX. The permittee shall, within 180 days after start-up of each project or unit, report to the Louisiana Air Quality Division any significant difference in operating emission rates as compared to those limitations specified in paragraph III. This report shall also include, but not be limited to, malfunctions and upsets.
- X. The permittee shall retain records of all information resulting from monitoring activities and information indicating operating parameters as specified in the specific conditions of this permit for a minimum of at least two (2) years.
- XI. If for any reason the permittee does not comply with, or will not be able to comply with, the emission limitations specified in this permit, the permittee shall provide the Air Quality Division with the following information in writing within five (5) days of such conditions:
- a. Description of noncomplying emission(s);
 - b. Cause of noncompliance;
 - c. Anticipated time the noncompliance is expected to continue, or, if corrected, the duration of the period of noncompliance;
 - d. Steps taken by the permittee to reduce and eliminate the noncomplying emissions; and
 - e. Steps taken by the permittee to prevent recurrences of the noncomplying emissions.

LOUISIANA AIR EMISSION PERMIT
GENERAL CONDITIONS

- XII. Permittee shall allow the authorized officers and employees of the Department of Environmental Quality, at all reasonable times and upon presentation of identification, to:
- 1) Enter upon the permittee's premises where regulated facilities are located, regulated activities are conducted or where records required under this permit are kept;
 - 2) Have access to and copy any records that are required to be kept under the terms and conditions of this permit, the Louisiana Air Quality Regulations, or the Act;
 - 3) Inspect any facilities, equipment (including monitoring methods and an operation and maintenance inspection), or operations regulated under this permit; and,
 - 4) Sample or monitor, for the purpose of assuring compliance with this permit or as otherwise authorized by the Act or regulations adopted thereunder, any substances or parameters at any location.
- XIII. If samples are taken under Section XII. 4) above, the officer or employee obtaining such samples shall give the owner, operator or agent in charge a receipt describing the sample obtained. If requested prior to leaving the premises, a portion of each sample equal in volume or weight to the portion retained shall be given to the owner, operator or agent in charge. If an analysis is made of such samples, a copy of the analysis shall be furnished promptly to the owner, operator or agent in charge.
- XIV. The permittee shall allow authorized officers and employees of the Department of Environmental Quality, upon presentation of identification, to enter upon the permittee's premises to investigate potential or alleged violations of the Act or the rules and regulations adopted thereunder. In such investigations, the permittee shall be notified at the time entrance is requested of the nature of the suspected violation. Inspections under this subsection shall be limited to the aspects of alleged violations. However, this shall not in any way preclude prosecution of all violations found.
- XV. The permittee shall comply with the reporting requirements specified under Section 17.13 as well as notification requirements specified under Section 17.11 of the Louisiana Air Quality Regulations.
- XVI. In the event of any change in ownership of the source described in this permit, the permittee and the succeeding owner shall notify the Louisiana Air Quality Division, within ninety (90) days after the event, to amend this permit.

AIR QUALITY DATA SHEET
PAGE 1

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

ion of plant: 15 UTM: 674.1 Km E 3370.6 Km N

ption of location: Highly urbanized, industrialized area situated on a
sula extending into Lake Pontchartrain.

ated starting date Estimated date operation
nstruction: August, 1987 will begin: February, 1988

of Dispersion Calculations Used: N/A

EFFECTS ON AMBIENT AIR

utant	Time Period	Calculated Maximum Ground Level Concentration	Louisiana Air Quality Standard

X	OR MODIFIED	EMISSION SOURCES	Fuel Farm (Type of Source)		
ck .#	Description	Operating Rate (Maximum) GPM	Operating Schedule Hrs/Day Days/Wk Wks/Yr		
0	Fugitive Emissions	N/A	24	7	52
	Storage Tank No. 1 - Jet A Vent - 100 M Gals.	600	8	5	52
	Storage Tank No. 2 - Jet A Vent - 100 M Gals.	600	8	5	52
	Storage Tank No. 3 - Jet A Vent - 100 M Gals.	600	8	5	52
	Storage Tank - Av Gas Vent 100 M Gals.	600	8	5	52

AIR QUALITY DATA SHEET
PAGE 1 (CONTINUED)

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

Stack I.D.#	Description	Operating Rate (Maximum) GPM	Operating Schedule		
			Hrs/Day	Days/Wk	Wks/Yr
87-04	Storage Tank - Av Gas Vent 100 M Gals.	600	8	5	52
87-05	Storage Tank - Mo Gas Vent 10 M Gals.	600	8	5	52
87-06	Storage Tank - No. 2 Diesel 10 M Gals.	600	8	5	52
87-07	Storage Tank - Jet A WASTE Vent - 1,000 Gals.	5	8	5	52
87-08	Storage Tank - Av Gas Waste Vent - 550 Gals.	5	8	5	52
87-09	Storage Tank - Waste Fuel Vent 550 Gals.	5	8	5	52
87-10	Duplex Loading Island Jet A Emissions	600	24	7	52
87-11	Duplex Loading Island Av Gas Emissions	600	24	7	52
87-12	Duplex Loading Island No. 2 Diesel/Mo Gas Emissions	600	24	7	52
87-13	Duplex Loading Island Jet A/Av Gas Emissions	600	24	7	52
87-14	Duplex Loading Island Jet A/Av Gas Emissions	600	24	7	52

NEW ORLEANS, ORLEANS PARISH, LOUISIANA

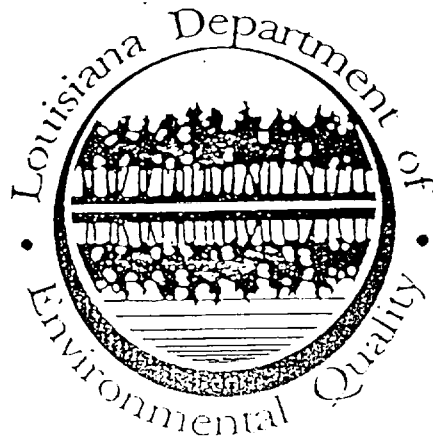
MAXIMUM/AVERAGE EMISSIONS ARE LISTED USING THE UNITS LBS./HR

STACK ID	PERMITTED EMISSIONS					FEET HEIGHT	TEMP. °F	FLOW RATE CFM
	TSP	SO ₂	NO _x	HC	CO			
87-00	-	-	-	7.54/7.54	-	0	Ambient	N/A
87-01	-	-	-	0.04/0.02	-	0	Ambient	N/A
87-02	-	-	-	0.04/0.02	-	0	Ambient	N/A
87-03	-	-	-	0.04/0.02	-	0	Ambient	N/A
87-04	-	-	-	0.05/0.05	-	0	Ambient	N/A
87-05	-	-	-	0.62/0.20	-	0	Ambient	N/A
87-06	-	-	-	0.003/0.002	-	0	Ambient	N/A
87-07	-	-	-	0.0007/0.0003	-	0	Ambient	N/A
87-08	-	-	-	0.099/0.003	-	0	Ambient	N/A
87-09	-	-	-	0.099/0.003	-	0	Ambient	N/A
87-10	-	-	-	0.007/0.007	-	0	Ambient	N/A
87-11	-	-	-	0.194/0.194	-	0	Ambient	N/A
87-12	-	-	-	0.078/0.078	-	0	Ambient	N/A
87-13	-	-	-	0.101/0.101	-	0	Ambient	N/A
87-14	-	-	-	0.101/0.101	-	0	Ambient	N/A

AIR QUALITY DATA SHEET
PAGE 3

NEW ORLEANS LAKEFRONT AIRPORT FUEL FARM
NEW ORLEANS, ORLEANS PARISH, LOUISIANA

TONS PER YEAR						
STACK I.D.	TSP	SO ₂	NO _x	HC	CO	OTHER
87-00	-	-	-	33.04	-	-
87-01	-	-	-	0.03	-	-
87-02	-	-	-	0.03	-	-
87-03	-	-	-	0.08	-	-
87-04	-	-	-	0.21	-	-
87-05	-	-	-	0.87	-	-
87-06	-	-	-	0.003	-	-
87-07	-	-	-	0.002	-	-
87-08	-	-	-	0.099	-	-
87-09	-	-	-	0.099	-	-
87-10	-	-	-	0.03	-	-
87-11	-	-	-	0.85	-	-
87-12	-	-	-	0.343	-	-
87-13	-	-	-	0.441	-	-
87-14	-	-	-	0.441	-	-
TOTALS	-	-	-	36.67	-	-



PERMIT NUMBER
WP 4121

OFFICE OF WATER RESOURCES Water Discharge Permit

Pursuant to the Louisiana Environmental Quality Act (La. R. S. 30:2001 *et seq.*; "The Act") as amended, Rules and Regulations effective or promulgated under the authority of the Act, and in reliance on statements and representations heretofore made in the application, a Louisiana Water Discharge Permit System (LWDPS) permit is issued authorizing

Board of Commissioners of the Orleans Levee District
Administration Building, Suite 202
New Orleans Lakefront Airport
New Orleans, Louisiana 70126

Type Facility: Bulk Petroleum Storage Facility

Location: New Orleans Lakefront Airport
Orleans Parish

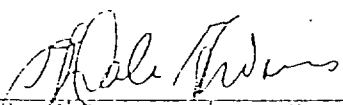
Receiving Waters: Inner Harbor Navigation Canal; thence into Lake Ponchartrain

to discharge in accordance with effluent limitations, monitoring requirements, and other conditions set forth in Parts I, II, and III attached hereto.

This permit is effective on the date of issuance.

This permit and the authorization to discharge shall expire five (5) years from the date of issuance.

Issued this the 20th day of August 1992



J. Dale Givens, Assistant Secretary
Office of Water Resources

PART I

Page 2 of 2
WP 4121

EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning the effective date and lasting through the expiration date the permittee is authorized to discharge from:

Outfall 001 - stormwater runoff from the containment and truck loading and unloading areas discharged into the Inner Harbor Navigation Canal on the west side of the facility.

This discharge shall be limited and monitored by the permittee as specified below:

EFFLUENT CHARACTERISTICS OUTFALL 001	DISCHARGE LIMITATIONS Units (Specify)		MONITORING REQUIREMENTS	
	MONTHLY AVERAGE	DAILY MAXIMUM	MEASUREMENT FREQUENCY	SAMPLE TYPE
Flow-MGD	Report (mgd)	Report (mgd)	1/month	Estimate
COD	----	100 mg/L	1/month*	Grab
TOC	----	50 mg/L	1/month*	Grab
Oil and Grease	----	15 mg/L	1/month*	Grab
Visible Sheen	----	No Presence	1/day	Observation

The pH shall not be less than 6.0 standard units nor greater than 9.0 standard units and shall be monitored 1/month by grab sample. If a pH value of less than 6.0 standard units or greater than 9.0 standard units is obtained, the monitoring frequency for pH shall increase to 1/day until a value within the prescribed pH range is achieved.

* If the value of this effluent characteristic exceeds the Daily Maximum limit, the Monitoring Frequency shall increase to 1/week. This increased frequency shall continue until a sample demonstrates a value less than or equal to the Daily Maximum.

The analytical method used must be capable of detecting the limiting concentration.

The unit for flow, MGD, is millions of gallons per day.

There shall be no visible sheen or stains attributable to this discharge in the drainage area downstream from the permitted outfall.

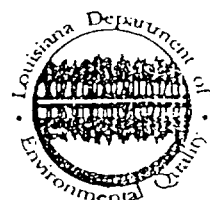
There shall be no discharge of floating solids or visible foam in other than trace amounts.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location:

Outfall 001 - at the point of discharge from the facility prior to mixing with other waters.



RECEIVED
AUG 3 1992
307
State of Louisiana
Department of Environmental Quality



Edwin W. Edwards
Governor

Kai David Midboe
Secretary

Certified Mail # 568547U

AUG. 25 1992

PERMIT NUMBER
WP 4121

Board of Commissioners of the Orleans Levee District
Administration Building, Suite 202
New Orleans Lakefront Airport
New Orleans, Louisiana 70126

Attention: Alan J. Francingues.

Subject: State permit to discharge fluids associated with a bulk petroleum storage facility located at the New Orleans Lakefront Airport in New Orleans, Orleans Parish, Louisiana.

This office has received no comments in response to the public notice published in THE ADVOCATE of Baton Rouge on July 8, 1992 and THE TIMES PICAYUNE of New Orleans on July 4, 1992. Payment of the new permit fee of \$365.15 was received on August 3, 1992. Therefore, pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001 *et seq.*), the attached State Water Discharge Permit has been issued. A request for hearing may be filed with this office within twenty (20) days of the date of receipt of this permit.

In accordance with Part II, Paragraph 17 of the permit, monitoring results shall be reported on Discharge Monitoring Report (DMR) forms per the schedule specified. A copy of the form to be used is attached for your convenience.

Should you have any questions concerning any part of the permit, please feel free to contact Danny Smith, Permits Section, Office of Water Resources, at the address below or telephone (504) 765-0543.

Sincerely,

Dale Givens, Assistant Secretary
Office of Water Resources

JDG:DWS
Attachments

cc: Mr. Jack Ferguson, 6W-P
U.S. Environmental Protection Agency, Region VI

Southeast Regional Office
Water Quality Management Control Division

cover letter only:
Doug Hale, Oil and Gas Permits
Danny Smith, Oil and Gas Permits



OFFICE OF WATER RESOURCES P.O. BOX 62215 BATON ROUGE, LOUISIANA 70834-2215

AN EQUAL OPPORTUNITY EMPLOYER



FEDERAL FISH AND WILDLIFE PERMIT

2 AUTHORITY-STATUTES
16 USC 703-712

1 PERMITTEE

NEW ORLEANS LAKEFRONT AIRPORT
6001 STARS & STRIPES BLVD
SUITE 101, TERMINAL BLDG
NEW ORLEANS, LA 70125

REGULATIONS (Attached)

50 CFR Part 13
50 CFR 21.41

3 NUMBER

MB673683-0

4 RENEWABLE

☒ YES

☐ NO

5 MAY COPY

☒ YES

☐ NO

6 EFFECTIVE

01/01/01

7 EXPIRES

12/31/2001

NAME AND TITLE OF PRINCIPAL OFFICER (Print Name)
RALPH W TAYLOR
DIR. OF AVIATION

8 TYPE OF PERMIT
DEPREDATION

LOCATION WHERE AUTHORIZED ACTIVITY MAY BE CONDUCTED
RUNWAYS AND ADJACENT PROPERTY OWNED BY NEW ORLEANS LAKEFRONT AIRPORT

CONDITIONS AND AUTHORIZATIONS

A. GENERAL CONDITIONS SET OUT IN SUBPART D OF 50 CFR 13 AND SPECIFIC CONDITIONS CONTAINED IN FEDERAL REGULATIONS CITED IN BLOCK #1 ABOVE ARE HEREBY MADE A PART OF THIS PERMIT. ALL ACTIVITIES AUTHORIZED HEREIN MUST BE CARRIED OUT IN ACCORD WITH AND FOR THE PURPOSES DESCRIBED IN THE APPLICATION SUBMITTED. CONTINUED VALIDITY OR RENEWAL OF THIS PERMIT IS SUBJECT TO COMPLETE AND TIMELY COMPLIANCE WITH ALL APPLICABLE CONDITIONS INCLUDING THE FILING OF ALL REQUIRED INFORMATION AND REPORTS.

B. THE VALIDITY OF THIS PERMIT IS ALSO CONDITIONED UPON STRICT OBSERVANCE OF ALL APPLICABLE FOREIGN, STATE, LOCAL OR OTHER FEDERAL LAW.

C. VALID FOR USE BY PERMITTEE NAMED ABOVE.

D. Authorized to take (shoot), for depredation purposes the following migratory birds: Minimum numbers and species that pose a threat to aircraft safety.

E. Permittee must also comply with Depredation Standard Conditions (copy attached).

F. Authorized subpermittee: Persons under direct control or authority of the permittee.

☐ ADDITIONAL CONDITIONS AND AUTHORIZATIONS ARE AVAILABLE.

REPORTING REQUIREMENTS

ANNUAL REPORT DUE: 01/31

Signed by
Ramona P. Amodeo

TITLE
FOR AND-MIGRATORY BIRDS & STATE PROGRAMS

DATE
07/10/2001



United States Department of the Interior

FISH AND WILDLIFE SERVICE

1875 Century Boulevard
Atlanta, Georgia 30345

MIGRATORY BIRD DEPREDATION PERMIT 50 CFR 21.41 STANDARD CONDITIONS

1. Permittee shall carry a copy of this permit whenever exercising its authority.
2. No blinds, pits, or other means of concealment, decoys, duck calls, or other devices can be used to lure or entice birds within gun or trap range.
3. If take is by shotgun, it can be no larger than No. 10 gauge and must be fired from the shoulder and must use non toxic shot unless otherwise authorized in Condition D of this permit. Nonlethal methods must be used alternately with lethal control for optimum results.
4. No species may be taken which is on the United States List of Threatened and Endangered Species.
5. Birds, nests or eggs taken under this permit must be (1) turned over to the U.S. Department of Agriculture for official purposes, (2) donated to a public educational or scientific institution as defined in 50 CFR 10, (3) completely destroyed by burial or incineration or (4) as directed in Condition D of this permit.
6. Permittee shall maintain records as required in 50 CFR 13.46. All required records relating to permitted activities must be kept at the location as indicated in writing by permittee to the issuing office.
7. Authorities granted by this permit shall not be exercised contrary to the laws of the appropriate State agency(ies).
8. Any killing of birds during the open hunting season must be in accordance with all State and Federal hunting regulations unless authorized on the face of this permit.
9. Failure to comply with all of these conditions listed may result in the immediate suspension of this permit.



RADIO STATION AUTHORIZATION

Licensee: NEW ORLEANS LAKEFRONT AIRPORT DISTRICT

FRED PRUITT JR
NEW ORLEANS LAKEFRONT AIRPORT DISTRICT
SUITE 101 TERMINAL BLDG
NEW ORLEANS LA 70126

Call Sign WNXP459	File Number 0000545
Radio Service PW - Public Safety Pool, Conventional	
Regulatory Status PMRS	

Grant Date 08-01-2001	Effective Date 08-01-2001	Expiration Date 10-18-2011	Print Date 08-01-2001
--------------------------	------------------------------	-------------------------------	--------------------------

STATION TECHNICAL SPECIFICATIONS

Fixed Location Address or Mobile Area of Operation

Area of Operation
Operating within a 2.0 km radius around 30-2-33.7 N 90-1-41.3 W,
ORLEANS, LA.

Antennas

Loc. No.	Ant. No.	Frequencies (MHZ)	Sta. Cls.	No. Units	No. Pagers	Emission Designator	Output Power (watts)	ERP (watts)	Ant. Ht./Tp meters	Ant. AAT meters	Comments
1	1	458.98750	MO	10	0	20K0F3E	2.000				

Control Points

Control Address

Pt. No. : FUEL FARM BLOCKHOUSE CONTROL
City : NEW ORLEANS County : State : LA Telephone : (504)242-5

EXHIBIT "K"

SUBLEASED OFFICES AND FACILITIES, ETC.

The Orleans Levee District uses the 2nd and 3rd floor of the Terminal building for office and storage. There is a vintage elevator that is partially upgraded but does not meet ADA standards. The outer door must be opened manually. Refer to the enclosed building floor plans.

They use Rooms 200 through 250 on the 2nd floor with a total of 15,790.88 square feet. This area is air-conditioned and includes corridors, closets and bathrooms. There are two 1196 square foot covered 2nd floor porches on the northeast and the southeast side of the terminal building. They can be entered from the main building or from stairs to the ground.

The third floor is used for storage and the survey branch of Engineering. Room 300 is 244.5 square feet air-conditioned. Rooms 301 through 305 are used for storage and are not air-conditioned. Total square footage of third floor is 1921.5 square feet.

**NEW ORLEANS LAKEFRONT
ADMINISTRATION BUILDING
OLD OFFICE SPACE
2ND FLOOR**

<u>ROOM NO.</u>	<u>DESCRIPTION</u>	<u>DEPARTMENT</u>	<u>SQ. FOOTAGE</u>
201	Secretary - Reception	Executive	405.0
201A	Closet/Storage	Executive	4.72
201B	Closet/Storage	Executive	4.72
201C	Closet/Storage	Executive	4.37
201D	Closet/Storage	Executive	14.17
201E	Closet/Storage	Executive	9.88
202	Reception	Executive	486.0
203	Managing Director	Executive	322.0
204	Executive Secretary	Executive	222.0
205	Training Room	Executive	345.0
205A	Closet/Storage	Executive	64.0
214	Office	Executive	135.0
215A	Secretary	Executive	77.0
216	Office	Executive	176.0
233	Was Storage, now Mail Room	Executive	229.13
238	Employee Lounge	Executive	306.0
		Office	2,703.13
		Storage	101.86
206	President's Office	President	345.0
208	Lounge	President	185.0
208A	Closet/Storage	President	8.83
200	Executive Conf. Room	President	501.0
215	Was Safety Risk Mgr., now Presidential Assist.	President	210.0
228	Board Room	President	1,040.0
		Office	2,291.0
		Storage	8.83
209	Was CAP - Now Legal	Legal	412.0
211	Office	Legal	180.0
211A	Closet/Storage	Legal	35.0
211B	Closet/Storage	Legal	11.08
211C	Closet/Storage	Legal	11.62
		Office	582.0
		Storage	57.70
220	Was Visual Aids Office, now Compliance	Compliance	238.5
224	Office	Compliance	195.0
224A	Closet/Storage	Compliance	42.0
224B	Closet/Storage	Compliance	11.62
		Office	433.5
		Storage	53.62
119	Finance	Finance	1,004.0
119A	Safe Location	Finance	112.0
217	Reproduction	Finance	138.0
221	Comptroller	Finance	144.0
223	Finance Director	Finance	280.0
225	File Room	Finance	216.0
225A	Records Office	Finance	345.0
229	Finance Timekeeper	Finance	195.0
		Office	2,434.0

NEW ORLEANS LAKEFRONT

ADMINISTRATION BUILDING

OLD OFFICE SPACE

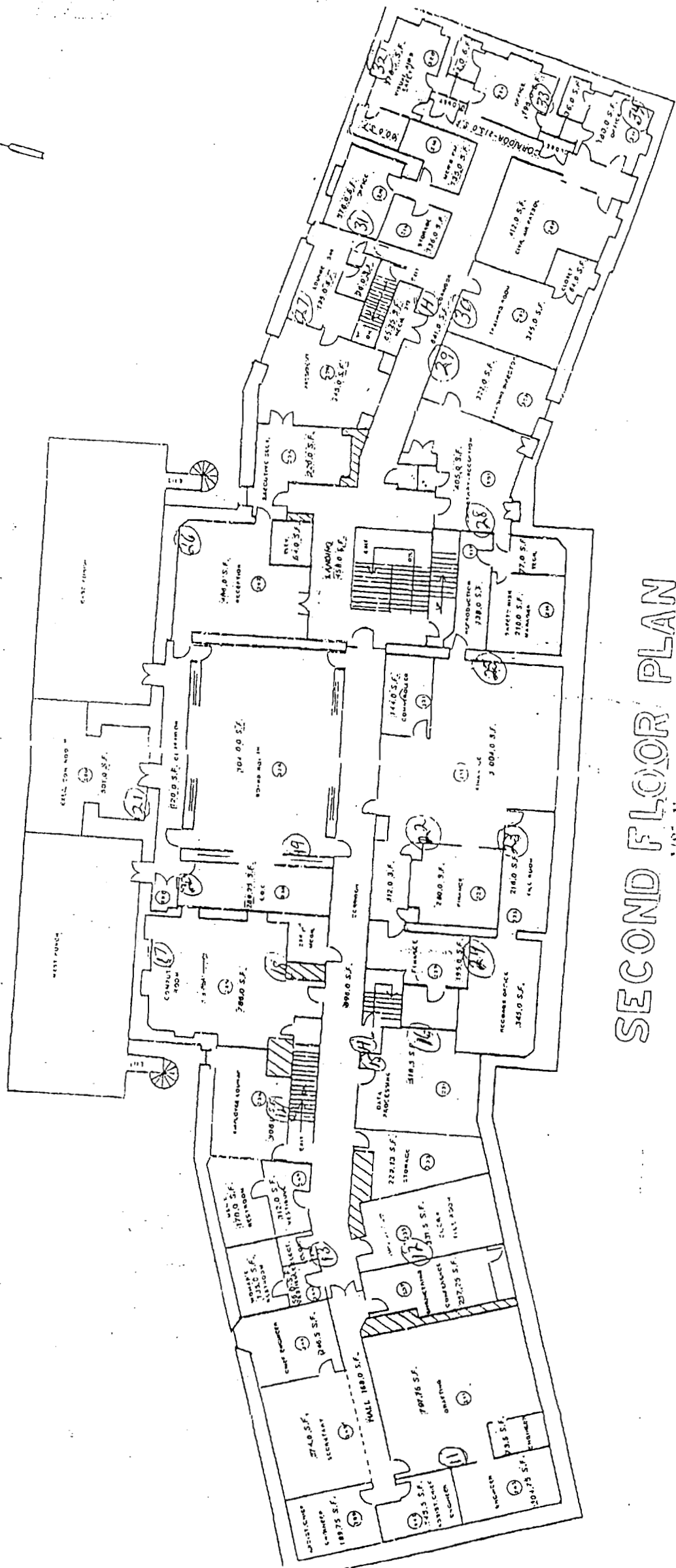
3RD FLOOR

ROOM NO. *	DESCRIPTION *	DEPARTMENT	SQ. FOOTAGE
300	Survey Storage	Engineering	244.5
301	Tele Equip. Room and Computer Storage	EDP	331.2
303	Survey Storage	Engineering	122.9
304	Finance Storage	Finance	367.2
304A	Was AC and Elect., now Finance Storage	Finance	252.0
305	Cage Area	Executive	391.4
TOTAL STORAGE			1,709.2 sq. ft.

*Room No., Description and Size based on OLD Drawing LD-2610 (11-9-87)

NOTE: No restrooms, utility closets, stairways or public corridors are included in the above figures.

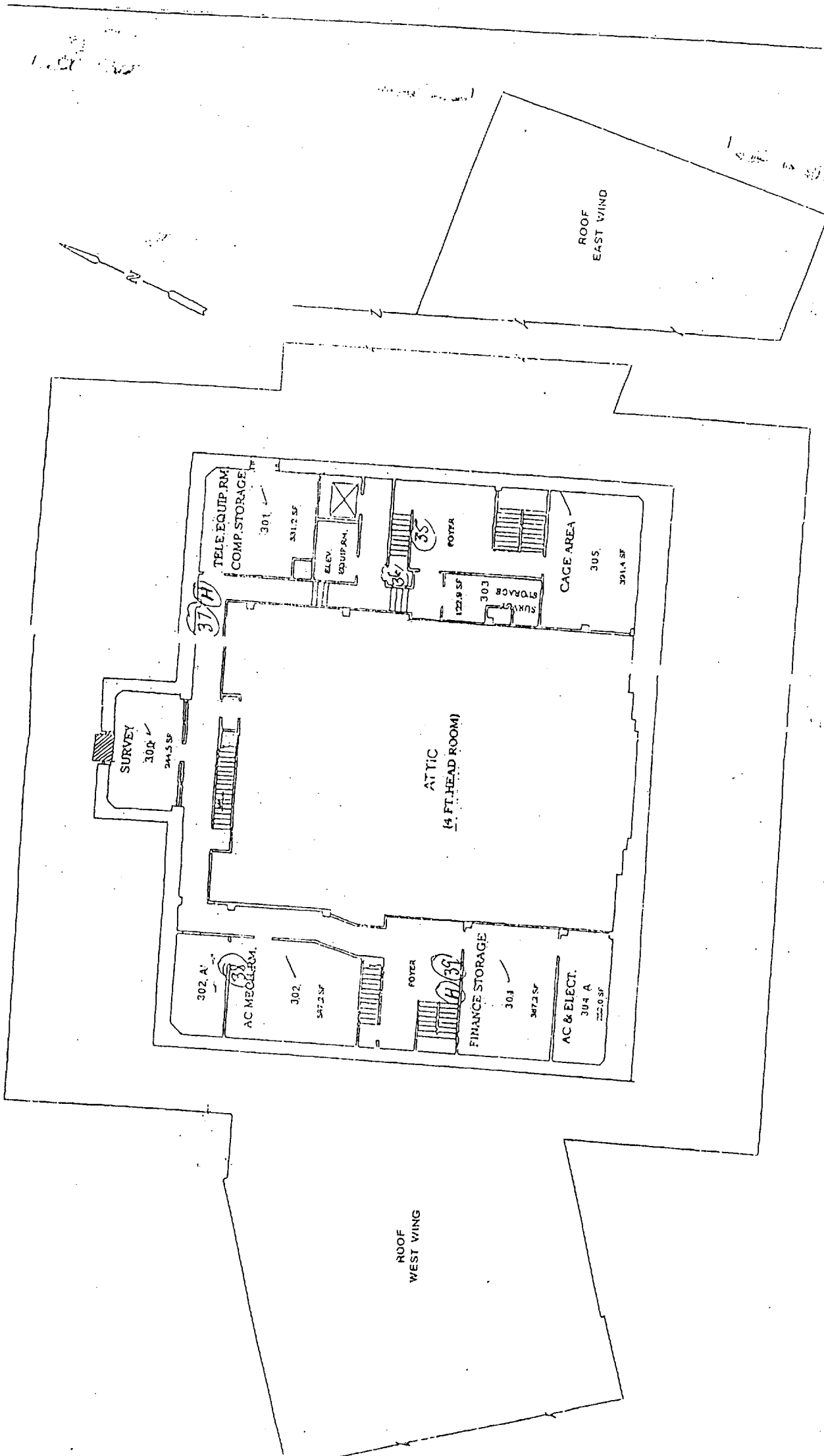
ADMINISTRATION BLDG.



SECOND FLOOR PLAN

1/8"=1'

MAINTAINED 10-7-67



THIRD FLOOR PLAN

SCALE: 1/8" = 1'

EXHIBIT "L"

PROJECT SITE PLAN - EAST BULKHEAD RESTORATION PROJECT

EXHIBIT “M”

RESERVATION OF SERVITUDE

Reservation of Servitude of Passage

United States of America

By:

State of Louisiana

The Board of Commissioners of
the Orleans Levee District

Parish of Orleans

BE IT KNOWN, that on the date set forth below, before the undersigned Notary Public, duly commissioned and qualified in the State of Louisiana and in the presence of the witnesses hereinafter named and undersigned,

PERSONALLY CAME AND APPEARED:

THE BOARD OF COMMISSIONERS OF THE ORLEANS LEVEE DISTRICT ("OLD"), a public levee district and political subdivision of the State of Louisiana, herein represented by James P. Huey, its President, acting for and on behalf of the OLD, duly authorized to act herein by virtue of a Resolution dated March 27, 2002 of the Board of Commissioners of the Orleans Levee District, a copy of said Resolution being attached hereto as Exhibit "A";

And, after being duly sworn James P. Huey, did depose and state the following:

WHEREAS, OLD is the owner of property reclaimed from the water bottom of Lake Pontchartrain ("Property"), the description of which is attached hereto as Exhibit "B";

WHEREAS, OLD is also the owner of property immediately adjacent to the aforescribed Property, known as the North Peninsula, said North Peninsula being immediately adjacent to the aforescribed property on its eastern boundary;

WHEREAS, OLD hereby expressly excepts from the Agreement for the Lease, Management, Operation, Commercial Enhancement and Development of the New Orleans Lakefront Airport, with American Airports Lakefront, L.L.C. ("AAL"), and reserves to OLD, its commissioners, officers, officials, employees, agents, representatives, any and all assignees, lessees, designees and successors in title, a non-exclusive servitude of passage for access to the North Peninsula and for the installation and maintenance of utilities for the North Peninsula, and for all purposes related thereto, over, upon and through the Property for the benefit and enjoyment of the OLD, its commissioners, officers, officials, employees, agents, representatives, any and all assignees, lessees, designees and successors in title (the "Servitude");

WHEREAS, the Servitude shall run with the land as a non-exclusive predial servitude in favor of the North Peninsula over a portion of the Property described as follows, to-wit (the "Servitude Area"):

Beginning at a point on the northeast corner of the intersection of Stars and Stripes Boulevard and Sikorsky Drive, on the back of the curb or Stars and Stripes Boulevard, thirty (30) feet east of the back of the curb of Sikorsky Drive, then proceeding northward two thousand (2,000) feet, more or less and paralleling thirty (30) feet off the east back of curb of Sikorsky Drive to a point intersecting the extension of the north side of the North Peninsula as it intersects Sikorsky Drive, thence run westerly thirty (30) feet to the back of curb on Sikorsky Drive, thence run in a southerly direction and following the back of curb of Sikorsky Drive two thousand (2,000) feet more or less to the intersection of the back of curb of Stars and Stripes Boulevard, thence easterly thirty (30) feet to the point of beginning.

NOW, THEREFORE, for valuable consideration and in accordance with the requirements of the Agreement between OLD and AAL, dated the 16th day of April, 2002, OLD hereby declares:

1.1 OLD does hereby except and reserve from the above referenced Agreement, in favor of the North Peninsula, a perpetual, non-exclusive, predial servitude, easement, right and privilege of passage for access to the North Peninsula and for the installation and maintenance of utilities for the North Peninsula, and for all purposes related thereto, across, over and upon the Servitude Area for the benefit of the OLD, its commissioners, officers, officials, employees, agents, representatives, any and all assignees, lessees, designees and successors in title.

1.2 OLD shall bear all costs of construction, installation, repair, replacement and maintenance of and/or on or about the Servitude Area.

1.3 The Servitude is subject to any public or private utilities, cables, wires, pipes and other facilities located in, on, over or across the Servitude Area, and all agreements, easements, servitude and rights granted or reserved heretofore.

1.4 OLD shall and does hereby indemnify and hold harmless AAL, its members, officers, officials, employees, agents, representatives and their respective successors, assignees, sublessees and designees, from and against any and all loss, damage or liability, to person or property, that any of them may incur or sustain as a result of or in connection with the Servitude and its use by OLD and/or by its commissioners, officers, officials, employees, agents, representatives, assignees, lessees, designees and successors in title.

1.5 The provisions of this Reservation of Servitude of Passage shall operate as covenants running with the land and shall inure to the benefit of the North Peninsula and its owner(s), and its successors and assigns.

1.6 This Act shall be construed and enforced in accordance with, and governed by the laws of the State of Louisiana.

THIS DONE AND PASSED THIS RESERVATION OF SERVITUDE OF PASSAGE, in New Orleans, State of Louisiana, on this the ____ day of April, 2002, before the undersigned competent witnesses and me, a Notary, after due reading of the whole.

WITNESSES:

BOARD OF COMMISSIONERS OF THE
ORLEANS LEVEE DISTRICT

BY: _____
James P. Huey - President

NOTARY PUBLIC

Accepted and Acknowledged:
American Airports Lakefront, L.L.C.

By: Robert A. Clifford
Authorized Representative of AAL, L.L.C.

LAKE PONTCHARTRAIN

[illegible]

Robert M. Anderson

[illegible]

SPIN AND - BLACK HOLE IN FL
OF DUALITY

NOTE: ALL IMPROVEMENTS ARE SHOWN HEREIN



INDUSTRIAL CANAL

WYATT
WAYNE

BOULEVARD

RAILROAD
(SDE)

CRUISE NAME

